

Document:	<u>EB 2008/94/R.8/Rev.1</u>
Point de l'ordre du jour:	<u>9 b)</u>
Date:	<u>11 septembre 2008</u>
Distribution:	<u>Publique</u>
Original:	<u>Anglais</u>

F



Ouvrer pour que les
populations rurales pauvres
se libèrent de la pauvreté

République socialiste du Viet Nam

Programme d'options stratégiques pour le pays

Conseil d'administration — Quatre-vingt-quatorzième session
Rome, 10-11 septembre 2008

Pour: **Examen**

Note aux Administrateurs

Le présent document est soumis au Conseil d'administration pour examen.

Afin que le temps imparti aux réunions du Conseil soit utilisé au mieux, les Administrateurs qui auraient des questions techniques à poser au sujet du présent document sont invités à se mettre en rapport, avant la session, avec la responsable du FIDA ci-après:

Atsuko Toda

Chargée de programme de pays
téléphone: +39 06 5459 2638
courriel: at.toda@ifad.org

Les demandes concernant la transmission des documents de la présente session doivent être adressées à:

Deirdre McGrenra

Fonctionnaire responsable des organes directeurs
téléphone: +39 06 5459 2374
courriel: d.mcgrenra@ifad.org

Table des matières

Sigles et acronymes	iii
Carte du pays indiquant les zones d'intervention du FIDA	iv
Résumé de la stratégie pour le pays	v
I. Introduction	1
II. Le contexte du pays	2
A. Économie, agriculture et pauvreté rurale	2
B. Politiques, stratégies et contexte institutionnel	4
III. Enseignements tirés de l'expérience du FIDA dans le pays	5
A. Résultats, impact et performance des opérations antérieures	5
B. Enseignements tirés	6
IV. Cadre stratégique du FIDA pour le pays	7
A. Avantage comparatif du FIDA	7
B. Objectifs stratégiques	7
C. Perspectives d'innovation	10
D. Stratégie de ciblage	10
E. Articulation au niveau des politiques	11
V. Gestion du programme	13
A. Gestion du COSOP	13
B. Gestion du programme de pays	13
C. Partenariats	13
D. Gestion des savoirs et communication	14
E. Cadre de financement SAFP	15
F. Risques et gestion des risques	16
Appendices	
I. COSOP consultation process (Processus de consultation pour l'élaboration du COSOP)	1
II. Country economic background (Situation économique du pays)	4
III. COSOP results management framework (Cadre de gestion des résultats du COSOP)	5
IV. Previous COSOP results management framework (Cadre de gestion des résultats du précédent COSOP)	6
V. Accelerating market orientation of agriculture (Accélérer l'orientation commerciale de l'agriculture)	8

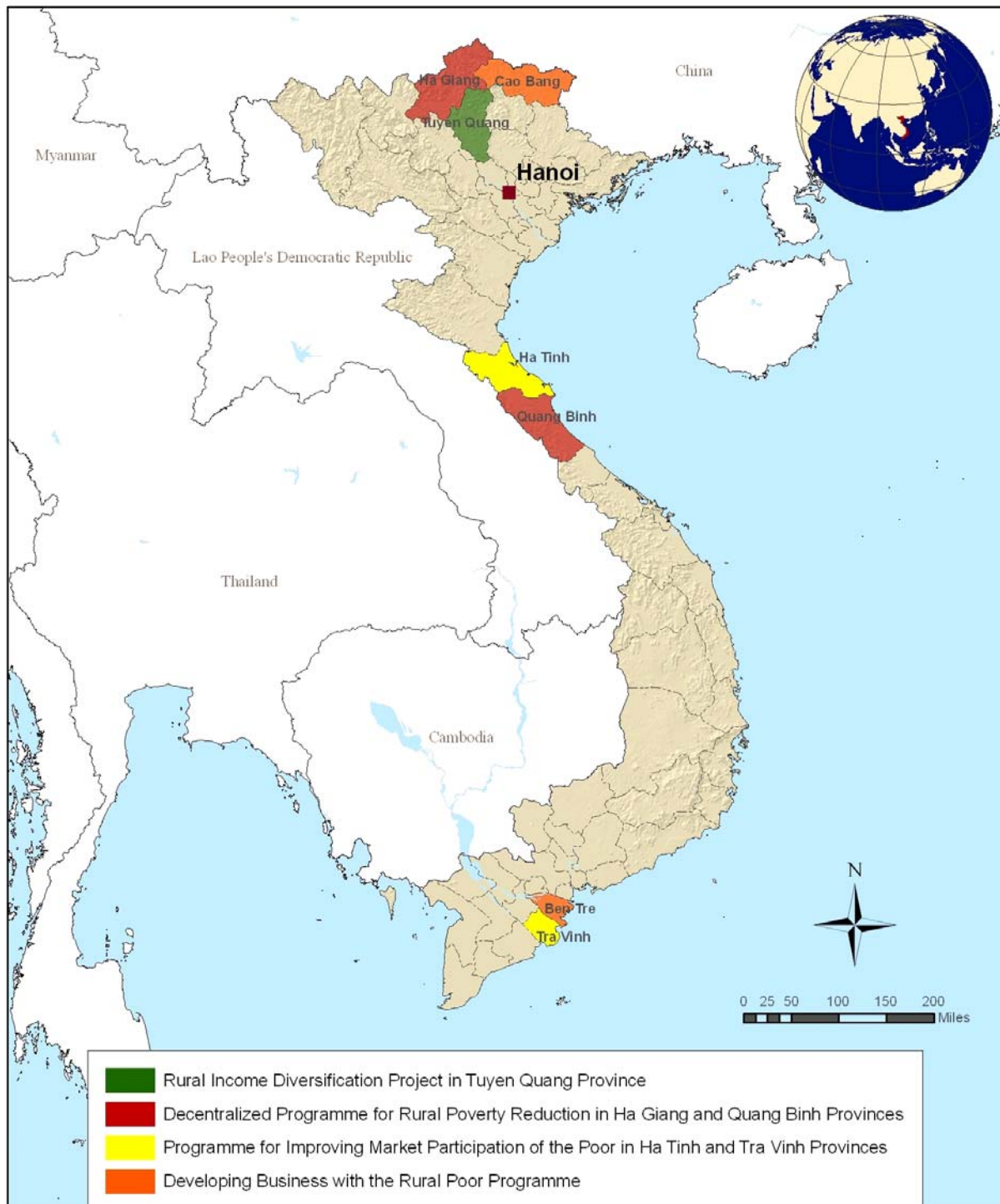
Dossiers-clés

Dossier-clé 1: Rural poverty and agricultural/rural sector issues (Pauvreté rurale et secteur agricole et rural)	24
Dossier-clé 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis) (Matrice des organisations [Analyse des forces, faiblesses, possibilités et menaces])	26
Dossier-clé 3: Complementary donor initiative/partnership potential (Initiatives complémentaires d'autres donateurs/possibilités de partenariats)	31
Dossier-clé 4: Target group identification, priority issues and potential response (Identification du groupe cible, questions prioritaires et options envisageables)	37

Sigles et acronymes

APD	Aide publique au développement
COSOP	Programme d'options stratégiques pour le pays
CPP	Comité populaire provincial
EGPP	Équipe de gestion du programme de pays
IED	Investissement étranger direct
OS	Objectif stratégique
PDSE	Plan de développement socioéconomique
S&E	Suivi et évaluation

Carte du pays indiquant les zones d'intervention du FIDA



Source: FIDA

Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés.

Résumé de la stratégie pour le pays

1. Deux décennies de croissance économique rapide ont transformé le Viet Nam qui n'est plus un pays peinant à satisfaire les besoins de subsistance essentiels de sa population mais est devenu une nouvelle économie de marché ayant pour ambition d'entrer dans la catégorie des pays à revenu intermédiaire. L'économie est de plus en plus diversifiée, avec un secteur privé en expansion et un nombre croissant de petites, moyennes et grandes entreprises. L'accession du Viet Nam à l'Organisation mondiale du commerce, sa participation à la zone de libre-échange de l'Association des nations de l'Asie du Sud-Est (ANASE), le développement de ses exportations et une main-d'œuvre de plus en plus instruite ont favorisé l'instauration d'un climat favorable à l'investissement, y compris l'investissement étranger direct. Les nouvelles possibilités y sont donc nombreuses.
2. L'essentiel de la population vit en milieu rural et tire sa subsistance de l'agriculture, un secteur dont les bons résultats passés expliquent en grande partie les progrès impressionnants faits par le Viet Nam en matière de réduction globale de la pauvreté. L'agriculture reste la principale occupation de la majorité de la population et une source d'emploi importante absorbant la nombreuse main-d'œuvre rurale. Le développement des marchés d'exportation et l'investissement qui crée de nouveaux emplois offrent certes de nouvelles possibilités de réduire la pauvreté, mais l'amélioration de la productivité, de la rentabilité et de la viabilité de la petite agriculture est le moyen le plus efficace de combattre la pauvreté. Cependant, la viabilité des efforts déployés en ce sens dépend de nombreux facteurs, y compris d'initiatives visant à améliorer les compétences des pauvres et leur capacité de résistance aux chocs causés par les fluctuations des marchés ainsi que de mesures efficaces d'adaptation au changement climatique.
3. La poursuite de la croissance, l'acquisition du statut de pays à revenu intermédiaire et l'intégration au sein de l'économie mondiale ainsi que l'adhésion du Gouvernement vietnamien à la lutte contre la pauvreté telle que définie dans son plan de développement socioéconomique (PDSE) ouvrent la voie à une réduction considérable de la pauvreté. Le PDSE souligne la nécessité d'adopter une approche cohérente et intégrée du développement durable et, tout en continuant à mettre l'accent sur la croissance économique, signale également qu'il est essentiel d'améliorer la justice sociale et la préservation de l'environnement. D'après le plan, le Viet Nam devrait rejoindre le groupe des pays développés à compter de 2020, fort d'une économie fondée sur les connaissances au sein de laquelle tous les segments de la société jouissent de moyens de subsistance stables et sûrs.
4. Le point de départ du programme d'options stratégiques du FIDA pour le pays (COSOP) 2008-2012 est la disparité croissante des moyens de subsistance entre zones rurales et zones urbaines, et en particulier la situation très difficile des populations pauvres des hautes terres^a. Ces communautés rurales pauvres seront l'un des principaux enjeux de la réduction de la pauvreté au Viet Nam au cours des cinq prochaines années et au-delà. L'avantage comparatif du FIDA sera de continuer à: se focaliser étroitement sur des méthodes innovantes de lutte contre la pauvreté et de développement agricole et rural; établir de solides partenariats avec les provinces; assurer la souplesse de la conception et de l'exécution des projets en encourageant la prise en charge par le gouvernement; communiquer l'information tirée de l'exécution de ses prêts et de ses dons pour qu'elle contribue à l'élaboration des grandes orientations. En outre, le FIDA doit veiller à ce que les investissements prennent en compte les scénarios concernant le changement climatique et contribuent aux mesures d'adaptation.

^a Hautes terres est une expression utilisée par le Comité des minorités ethniques en référence à 20 provinces montagneuses de haute et moyenne altitude du centre et du nord du Viet Nam. On compte en outre 114 autres districts montagneux dans 26 autres provinces. Les hautes terres ont une topographie complexe et les habitants en sont généralement des groupes ethniques minoritaires.

5. C'est dans un tel contexte que les quatre objectifs stratégiques interdépendants ci-après sont proposés: i) les ménages ruraux pauvres des hautes terres accèdent aux marchés grâce au renforcement des partenariats avec le secteur privé; ii) les ménages pauvres et vulnérables tirent parti des possibilités d'activités économiques rentables; iii) les communautés pauvres des hautes terres parviennent à accéder aux ressources naturelles productives et à en tirer durablement des avantages; et iv) les populations rurales pauvres contribuent au processus d'élaboration de politiques agricoles à orientation commerciale favorable aux pauvres au niveau infranational.

République socialiste du Viet Nam

Programme d'options stratégiques pour le pays

I. Introduction

1. Le Viet Nam entend être un pays à revenu intermédiaire à compter de 2010. Le passage d'une économie planifiée à une économie de marché a eu un effet libérateur sur la productivité de la population et son désir d'accroître son niveau de vie. Les réformes macroéconomiques lancées en 1987 ont libéralisé le commerce intérieur en introduisant des droits fonciers, en laissant le marché fixer les prix des produits non essentiels et en abolissant le système de rationnement et la réglementation des prix s'appliquant aux achats de riz et d'autres denrées agricoles. Ces réformes ont stimulé l'offre pour faire face à la demande croissante et encouragé la circulation des biens. Avec la libéralisation de l'économie et la croissance économique rapide, les possibilités de commercialisation ont favorisé le passage rapide de l'agriculture de subsistance à l'agriculture commerciale. En conséquence, deux tiers des petits producteurs pratiquant une agriculture de subsistance en 1992 sont dès 1998 devenus des agriculteurs commerciaux¹. Environ 73% de la population vit en milieu rural et tire l'essentiel de ses ressources de l'agriculture.
2. Avant d'élaborer son nouveau programme d'options stratégiques pour le pays (COSOP) axé sur les résultats, il a été demandé au FIDA de participer à un examen, effectué sous la conduite du gouvernement, de son programme de pays lancé à la suite du COSOP 2002-2007. Au cours de cette période, le FIDA a fourni environ 71 millions d'USD pour financer trois projets/programmes au Viet Nam. L'examen a servi à formuler le présent COSOP, qui servira de cadre de référence pour élaborer le programme de pays du FIDA pour la période 2008-2012. Le COSOP harmonise l'appui fourni par le FIDA avec le plan de développement socioéconomique (PDSE) 2006-2010 du gouvernement et avec les principes de la Déclaration fondamentale de Hanoi sur l'efficacité de l'aide. Des alliances plus solides seront nouées avec d'autres organismes des Nations Unies dans le contexte de la réforme des Nations Unies au Viet Nam.
3. Le travail de synthèse et de préparation du COSOP a inclus les étapes et partenariats ci-après: i) la formation de l'équipe de gestion du programme de pays (EGPP) en mai/juin 2007; ii) un examen du programme de pays réalisé en juillet/août 2007 sous la conduite du gouvernement; iii) une analyse de la pauvreté effectuée par les étudiants de l'Université de Lund (Suède) en septembre 2007; iv) une analyse conjointe des effets du changement climatique² réalisée en partenariat avec le Mécanisme mondial de la Convention des Nations Unies sur la lutte contre la désertification entre octobre 2007 et avril 2008; v) une mission de formulation du COSOP pour préparer les documents de travail, réalisée en novembre 2007³, qui a notamment consulté les principaux partenaires de développement; vi) un partenariat avec le Fonds pour l'environnement mondial (FEM), la préparation d'une proposition de projet avec l'appui du FIDA ayant été approuvée par ce dernier en février 2008; vii) la traduction du projet de document à envoyer aux organismes de contrepartie du gouvernement en mars 2008; et viii) une mission de synthèse conjointe

¹ Banque mondiale, Rapport sur le développement dans le monde 2008: l'agriculture au service du développement.

² Cette analyse conjointe avait pour objet de garantir la viabilité à terme des investissements du FIDA dans le contexte des scénarios prévus concernant le changement climatique et de l'intensification de la dégradation des sols au Viet Nam. L'analyse a recensé des activités préliminaires visant à inclure des interventions relatives à l'adaptation au changement climatique et à mobiliser des fonds supplémentaires en maintenant les mesures d'atténuation des répercussions des gaz à effet de serre.

³ Les documents de travail portaient sur l'agriculture, la finance rurale, le changement climatique (en collaboration avec le Mécanisme mondial), la gestion des savoirs, les données de référence sur la pauvreté et la gestion du programme de pays.

gouvernement/FIDA d'élaboration du COSOP⁴ réalisée en avril 2008, incluant des visites sur le terrain dans les provinces pouvant éventuellement accueillir des projets, un atelier de consultation des partenaires de recherche et des groupes de réflexion nationaux travaillant sur l'agriculture et une réunion avec les coordonnateurs des activités lancées avec des dons du FIDA.

4. Une évaluation du programme de pays⁵ est prévue pour 2010. Elle permettra de réorienter le COSOP à mi-parcours en fonction des faits nouveaux dans le pays et des buts et objectifs formulés pour le PDSE 2011-2015.

II. Le contexte du pays

A. Économie, agriculture et pauvreté rurale

Situation économique générale

5. Deux décennies de croissance économique rapide ont transformé le Viet Nam qui n'est plus un pays peinant à satisfaire les besoins essentiels de subsistance de sa population mais est devenu une nouvelle économie de marché ayant pour ambition d'entrer dans la catégorie des pays à revenu intermédiaire. De 2001 à 2007, le PIB du Viet Nam a progressé en moyenne au rythme de 7,8% par an, ou de 6,7% par habitant, soit un accroissement du PIB par habitant de 415 à 835 USD. Le taux de croissance, qui était de 8,5% pour 2007, est de 7,4% pour le premier trimestre de 2008. En matière de croissance du PIB, le gouvernement s'est fixé un objectif de 7% pour 2008, soit une révision à la baisse du niveau de 8,5% en raison de la forte inflation⁶. La population, estimée à 84 millions d'habitants, dont 73% est rurale, croît au rythme de 1,3% par an. Près de 54% de la main-d'œuvre totale participe directement à la production dans les secteurs de l'agriculture, des forêts et de la pêche. En 2007, environ 1,7 million de nouveaux emplois ont été créés et 82 500 travailleurs migrants étaient enregistrés comme résidents à l'étranger.
6. L'économie ne cesse de se diversifier et le secteur privé est en expansion, avec un nombre croissant de petites, moyennes et grandes entreprises. L'accession du Viet Nam à l'Organisation mondiale du commerce, sa participation à la zone de libre-échange de l'Association des nations de l'Asie du Sud-Est (ANASE), la croissance des exportations et une main-d'œuvre de plus en plus instruite ont favorisé l'instauration d'un climat favorable à l'investissement, y compris l'investissement étranger direct (IED). En 2007, le montant total de l'IED était de 20,3 milliards d'USD, celui des investissements étrangers atteignant 87 milliards d'USD à la fin d'avril 2008. En 2007, les donateurs internationaux ont promis au Viet Nam un montant de 5,4 milliards d'USD au titre de l'aide publique au développement (APD) dont environ la moitié pour des projets relatifs aux routes, aux ports et à la production d'énergie⁷. D'après les estimations, les envois de fonds de l'étranger représentent 6 milliards d'USD par an. Depuis 1990, la croissance des exportations est supérieure à celle de la Chine, surtout induite par les usines sous contrôle étranger. En 2007, le montant total des recettes d'exportation s'élevait à 48,5 milliards d'USD, soit une augmentation de 21,9% d'une année sur l'autre, les importations ayant progressé quant à elles de 39,4%, pour atteindre 62,7 milliards d'USD. Les réserves en devises s'élevaient en 2007 à 10,2 milliards d'USD.

⁴ La mission finale de préparation du COSOP comprenait les membres suivants: Francesco Goletti, Vo Tong Xuan, Garry Smith, Stewart Pittaway, Bhujang Rao Dharmaji, Luong Quang Huy et Narasimhan Srinivasan (consultants du FIDA); Sunil Abraham (Directeur de la mise en réseau des savoirs pour le développement rural dans la région Asie/Pacifique – ENRAP); Luu Quang Khanh et Dao Trinh Bac (Ministère de la planification et des investissements); Chu Tac Nhan et Bui Dinh Vien (Bureau du gouvernement); Nguyen Huong Yen et Duong Quynh Le (Ministère des finances); Thomas Elhaut (Directeur de la Division Asie et Pacifique); Nguyen Thanh Tung (fonctionnaire présent dans le pays); et Atsuko Toda (chargée de programme de pays).

⁵ L'examen et l'évaluation les plus récents du programme de pays au Viet Nam ont été réalisés en 2000, en consultant de très près le gouvernement, par le Bureau de l'évaluation et des études de l'époque.

⁶ L'inflation a progressé sur une période de 12 mois, atteignant 25% à la fin de mai 2008. (Banque mondiale, Rapport de la réunion tenue en milieu d'année par le groupe consultatif pour le Viet Nam, juin 2008).

⁷ Environ 2 milliards d'USD d'APD ont été décaissés (Ministère du plan et des investissements, juin 2008).

7. Le Viet Nam doit faire face à une forte inflation et à un déficit commercial croissant, résultant à la fois de la progression de la demande intérieure et de l'augmentation des cours internationaux des principaux produits importés tels que les produits pétroliers et d'autres intrants utilisés. L'indice des prix à la consommation a augmenté de 2,91% en décembre 2007, soit une progression de 12,6%, bien supérieure à celle de la croissance économique, qui tournait autour de 8,5% en moyenne, en raison principalement de la flambée des prix des produits alimentaires. Face à la détérioration de la situation macroéconomique, en mars 2008, le gouvernement a donné la priorité à la stabilisation de l'économie, en réduisant les dépenses publiques, en mettant un terme aux projets d'investissement public inefficients, en remettant de nouveaux projets à plus tard et en assouplissant les taux de change.

Agriculture et pauvreté rurale

8. Le secteur de l'agriculture, des forêts et de la pêche a maintenu sa croissance moyenne au rythme de 3,7% par an au cours des cinq dernières années, malgré des épizooties et des conditions climatiques défavorables, notamment un hiver rude dans les régions du nord et du centre du pays au premier trimestre de 2008. Du fait de la progression de la production de céréales, dont le niveau a dépassé de 5,5 millions de tonnes en 2007 celui de 2000, la quantité moyenne consommée par personne est passé de 420 kg en 2001 à 470 kg en 2007. Le Viet Nam est un gros exportateur de produits alimentaires, notamment de plus de 4 millions de tonnes de riz par an. Si, dans l'ensemble, le pays tire profit des prix plus élevés des produits alimentaires, dans certaines zones rurales, la hausse des prix internationaux ne se répercute pas sur les petits exploitants agricoles. Les exportations de produits agricoles ont représenté 12,5 milliards d'USD en 2007, soit 25,8% de la valeur totale des exportations. Cette croissance des exportations agricoles s'est maintenue à un rythme de quasiment 20% tout au long de la période 2002-2007 en raison de l'amélioration constante de la productivité, de la qualité des produits, des infrastructures entre les zones de production et les ports, de l'accès aux marchés et aux renseignements techniques ainsi que de la communication. Les principaux produits exportés sont des produits agricoles (riz, café, noix de cajou, poivre noir, thé, caoutchouc, légumes) et des produits aquatiques (crevettes, bouquets, etc.). La production de l'élevage et de l'aquaculture a progressé d'environ 7 à 8% par an. Sous l'impulsion des marchés internationaux qui demandent une amélioration de la qualité et de la sécurité sanitaire, le système de commercialisation des produits alimentaires et agricoles se transforme.
9. Plus récemment, le Viet Nam a eu du mal à accroître sa production agricole en raison d'une moindre disponibilité de terres arables, de la flambée des coûts des intrants tels que les engrais et de la stagnation des rendements des cultures. Dans d'autres secteurs de l'économie, le rythme de la croissance a largement dépassé celui du secteur agricole (10,2% dans l'industrie, 11,1% dans la construction et 8,7% dans les services en 2007), une situation qui explique la part moins importante de l'agriculture dans le PIB (21% en 2006 contre près de 25% en 2000); ce recul devrait se poursuivre pour arriver à une proportion d'environ 15% du PIB d'ici à 2010. Cette diminution de l'importance de l'agriculture dans l'économie ne va pas de pair avec un recul proportionnel de la part de la main-d'œuvre agricole dans la main-d'œuvre totale, ce qui montre que la productivité de la main-d'œuvre ne progresse pas au même rythme dans l'agriculture que dans les autres secteurs. L'essor de l'agriculture enregistré précédemment s'expliquait par l'évolution du régime foncier (octroi de droits de jouissance des terres aux ménages agricoles et non plus aux fermes d'État) et par le développement des principaux facteurs de production (terres, main-d'œuvre, eau d'irrigation et intrants). Le développement de ces facteurs essentiels approche maintenant de ses limites, physiques ou financières. La main-d'œuvre agricole diminue de 2% par an par rapport à celle des autres secteurs – petite industrie, commerce et services. L'investissement

privé dans l'agriculture ne représente que 15% des nouveaux projets d'investissement chaque année, l'investissement étranger direct ne représentant pas plus de 5%.

10. Dans la mesure où la majorité de la population vit en milieu rural, les bons résultats de l'agriculture dans le passé expliquent en grande partie les progrès impressionnants faits par le pays en matière de réduction globale de la pauvreté et leurs retombées positives pour les petits exploitants agricoles et tous ceux qui tirent leur subsistance de l'agriculture. De nouvelles possibilités de réduction de la pauvreté voient le jour au fur et à mesure que les marchés d'exportation se développent et que les investissements créent de nouveaux emplois, mais les petits paysans ne disposent pas des connaissances et de l'information commerciales, de services de développement d'entreprises productives et commerciales, des moyens requis pour assurer la sécurité sanitaire des aliments et la gestion de la qualité, ou de liaisons commerciales. L'amélioration de la productivité, de la rentabilité et de la viabilité de la petite agriculture est le moyen le plus efficace de combattre la pauvreté.

B. Politiques, stratégies et contexte institutionnel

Le contexte institutionnel national

11. Le Ministère du plan et des investissements, qui est chargé de coordonner les ressources de l'APD en planifiant le développement socioéconomique, est le principal organisme de contrepartie pour ce qui est de l'affectation des ressources du FIDA et de la planification de leur utilisation. Le Ministère des finances représente le Viet Nam pour ce qui est des accords de prêt et sert d'instance de coordination des processus de décaissement et de renforcement des capacités de gestion financière au niveau provincial, une question capitale pour le programme de pays. Le Ministère de l'agriculture et du développement rural définit les grandes orientations en matière d'agriculture et de développement rural et coordonne l'application à plus grande échelle de l'expérience acquise à la faveur de l'exécution. Les comités populaires provinciaux (CPP) sont essentiels pour une exécution efficace des projets et des programmes et pour la diffusion des enseignements qui en sont tirés. Le programme compte de nombreux autres partenaires dans le pays, par exemple la Banque du Viet Nam pour l'agriculture et le développement rural, la Banque du Viet Nam pour la politique sociale, des organisations de masse (associations d'agriculteurs, Union des femmes, Union des jeunes) ainsi que le Comité des minorités ethniques. À l'avenir, le programme de pays englobera les institutions nationales de recherche, telles que l'Institut de politique et de stratégie pour l'agriculture et le développement rural, qui relève du Ministère de l'agriculture et du développement rural, l'Institut national de gestion économique qui relève du Ministère du plan et des investissements, l'Institut des minorités ethniques qui relève du Comité des minorités ethniques ainsi que des organisations du secteur privé et de la société civile.

La stratégie nationale de réduction de la pauvreté rurale

12. Le PDSE quinquennal 2006-2010 du pays comporte quatre grands axes: i) accélérer la croissance économique; ii) améliorer l'accès aux services essentiels; iii) protéger l'environnement; iv) améliorer la gouvernance. Pour ce qui est de l'axe relatif à la croissance, il encourage l'intégration du pays au sein de l'économie mondiale (Organisation mondiale du commerce, ANASE et autres accords commerciaux), la restructuration des entreprises d'État, le développement du secteur privé, le renforcement du secteur financier et des investissements importants dans l'infrastructure. Sur le plan social, le PDSE encourage les programmes nationaux ciblés pour réduire la pauvreté dans les communes les plus pauvres, donne la priorité aux besoins des minorités ethniques des régions reculées et encourage la mise en place de systèmes universels de protection sanitaire et d'assurance sociale. Sur le plan de l'environnement, il est favorable à la généralisation des évaluations stratégiques de l'impact environnemental, à l'introduction d'outils de lutte contre la pollution, à l'amélioration de l'assainissement et du traitement des déchets solides

ainsi qu'à la protection de la biodiversité moyennant l'expansion des aires protégées. Pour ce qui est de la gouvernance, le PDSE propose d'améliorer les méthodes de planification, d'assainir la gestion des finances publiques, de réformer l'administration publique et de lutter contre la corruption.

13. Les aspects des quatre grands axes du PDSE intéressant le FIDA sont les suivants:
- i) pour ce qui est de la croissance, promouvoir des dispositifs et des politiques garantissant que les ruraux pauvres et les minorités ethniques tirent parti de l'amélioration de la croissance et de l'accès aux marchés;
 - ii) dans le domaine social, appuyer des activités productives servant de filets de sécurité pour atténuer la vulnérabilité des ruraux pauvres et des ménages exposés aux risques (maladies, catastrophes naturelles, changement climatique, fluctuations des marchés);
 - iii) dans le domaine de l'environnement, s'attaquer aux priorités liées au changement climatique dans le secteur du développement agricole et rural, accélérer la prise en charge locale des terres et des forêts, veiller à ce que les services environnementaux (y compris le financement de la lutte contre les émissions de carbone) entraînent une rémunération des gestionnaires des ressources et encourager les pratiques d'exploitation écologiquement viable des ressources naturelles dans les communautés pauvres des hautes terres; et
 - iv) en matière de gouvernance, élaborer des systèmes et institutions rendant des comptes aux populations rurales pauvres et les associer à la prise des décisions. Dans la mesure où le PDSE en cours sera révisé pour la période 2011-2015, le COSOP du FIDA sera revu à mi-parcours pour en garantir la pertinence et la cohérence⁸.

Harmonisation et alignement

14. Le Viet Nam est le premier pays à avoir traduit les principes de la Déclaration de Paris sur l'efficacité de l'aide dans le contexte local, la volonté d'harmonisation du gouvernement s'incarnant dans la Déclaration fondamentale de Hanoi. Comme pour les stratégies de la plupart des partenaires de développement du FIDA au Viet Nam, ce COSOP est aligné sur le PDSE. Le FIDA est membre du groupe international d'appui au Ministère de l'agriculture et du développement rural, du groupe d'appui au secteur forestier et du groupe du travail sur la microfinance. De plus, le Fonds participe aux travaux du comité du partenariat pour la deuxième phase du programme 135, dans le but d'harmoniser les méthodologies et d'intégrer les activités du FIDA dans ce programme national ciblé. Le FIDA participe également à la réforme des Nations Unies et à l'initiative Unité d'action au Viet Nam qui entend faire progresser la mise en œuvre des cinq piliers sur lesquels elle repose: un plan commun, un budget commun, un dirigeant commun, une méthode de gestion commune et un siège commun. Le FIDA étudie la possibilité de devenir signataire du deuxième plan commun, aux côtés des institutions spécialisées des Nations Unies présentes au Viet Nam.

III. Enseignements tirés de l'expérience du FIDA dans le pays

A. Résultats, impact et performance des opérations antérieures

15. Depuis 1993, le FIDA a financé sept projets et programmes au Viet Nam, soit un engagement total d'environ 168,3 millions d'USD sous forme de prêts, dont on estime que 520 000 ménages ont directement bénéficié. Au cours de la période couverte par le COSOP 2002-2007, le FIDA a fourni environ 87 millions d'USD pour financer trois programmes. À l'heure actuelle, il y a au Viet Nam quatre projets/programmes en cours bénéficiant d'un appui du FIDA, qui ont tous été cofinancés avec des organismes extérieurs, y compris des organismes multilatéraux

⁸ Il a été demandé au Bureau de l'évaluation du FIDA de procéder à une évaluation du programme de pays en 2010.

tels que le Programme des Nations Unies pour le développement et des donateurs bilatéraux tels que les Gouvernements suédois⁹, allemand¹⁰, norvégien¹¹ et luxembourgeois¹². Si les progrès ne sauraient être attribuables aux seules interventions du FIDA, la pauvreté a néanmoins reculé dans les provinces où le FIDA finance des interventions. Le ciblage a été efficace, faisant appel à toute une gamme d'outils: ciblage géographique; données sur la pauvreté des ménages fournies par le Ministère du travail, des invalides de guerre et des affaires sociales; évaluation participative de la richesse; prise en compte des groupes minoritaires ethniques et des femmes; activités d'autociblage telles que la distribution de crédits taillés sur mesure par le biais de l'Union des femmes; et développement des petites infrastructures permettant de cibler les communautés isolées. L'adoption d'une législation provinciale transférant la propriété des activités d'investissement aux districts/communes ainsi que la planification et la réalisation des investissements aux communautés est un succès significatif découlant des projets du FIDA.

B. Enseignements tirés

16. Les principaux enseignements tirés de l'exécution sont les suivants: i) les processus participatifs de planification bénéficiant de l'appui de projets doivent être intégrés dans les stratégies provinciales de développement et dans les plans de travail et budgets annuels et ne devraient ni exiger trop de ressources (temps et ressources du personnel, budget et temps des communautés) ni être trop complexes; ii) les activités de renforcement des capacités devraient être en rapport avec les besoins en formation et les stages devraient être précédés et suivis d'évaluations des compétences qui servent à recenser les compétences et les déficits de qualification et à apprécier l'acquisition et la mise en application des connaissances; iii) bien que les projets antérieurs et en cours du FIDA au Viet Nam se soient attaqués avec succès aux grands problèmes d'ordre réglementaire, ces derniers doivent être pris en compte dans toutes les réformes ayant trait à l'administration des provinces; iv) il faut mettre davantage l'accent sur les interventions visant à accroître la compétitivité et à réduire les obstacles commerciaux pour améliorer l'accès des ménages pauvres aux marchés; v) il est crucial pour améliorer les moyens de subsistance de développer des technologies utiles pour les pauvres des hautes terres à partir de l'analyse des systèmes agricoles autochtones et des options dont disposent les agriculteurs pauvres exposés aux risques de ces zones; vi) les petites infrastructures choisies par les communautés elles-mêmes contribuent à améliorer les liaisons commerciales et la productivité des ménages et des communautés; et vii) le FIDA doit élaborer une stratégie à long terme visant les groupes villageois d'épargne et de crédit en tant qu'option permettant de fournir des services financiers ruraux dans les lieux reculés.
17. La conception des projets, en particulier dans les domaines liés à la mise à l'essai et à la distribution des technologies ainsi qu'au développement des infrastructures rurales ne doit pas être de nature trop prescriptive. Le budget des projets indiqué lors de la conception sert de ligne directrice – les missions de supervision devraient bien le préciser lors de leur analyse des décaissements des projets. En ce qui concerne la pérennité de l'action, les projets ont besoin de moins de personnel à tous les niveaux de la structure provinciale. Des séries parallèles d'activités résultant de la séparation des attributions entre les unités de gestion des projets et les

⁹ Le Gouvernement suédois cofinance le projet de diversification des revenus ruraux dans la province de Tuyen Quang.

¹⁰ Le Gouvernement allemand cofinance le programme d'amélioration de la participation des pauvres aux marchés dans les provinces de Ha Tinh et Tra Vinh. Ce programme s'appuie sur une unité de gestion des savoirs de l'initiative *Making Markets Work Effectively for the Poor* qui bénéficie du soutien du Ministère du développement international du Royaume-Uni et de la Banque asiatique de développement.

¹¹ Le Gouvernement norvégien contribue au programme décentralisé de réduction de la pauvreté rurale dans les provinces de Ha Giang et Quang Binh par le biais d'un accord de conversion de la dette. Ce programme porte sur la mise en application de la législation nationale sur la démocratie locale.

¹² Le Gouvernement luxembourgeois accorde une assistance technique au programme de développement des entreprises en collaboration avec les ruraux pauvres, mis en œuvre dans les provinces de Ben Tre et Cao Bang, dont la gestion de la qualité sera assurée par les organismes d'exécution centraux.

comités des collectivités locales peuvent faire obstacle à l'appropriation locale des interventions. Enfin, les systèmes de suivi et d'évaluation (S&E) doivent bénéficier de l'appui de systèmes de gestion informatisée des données axés sur les résultats et l'impact; il faudrait définir avec soin les principales données à recueillir; il faudrait en outre relier les systèmes de S&E des projets et des provinces. Les systèmes de S&E des projets doivent être analysés de manière à renforcer la gestion des projets et le travail de diagnostic et d'évaluation en cours au regard des objectifs.

18. Il importe que le programme de pays tire parti du programme de dons, qui offre des possibilités de renforcement des connaissances, de transfert des technologies et des méthodologies essentielles pour une application à plus grande échelle dans le cadre de l'exécution des projets et de prise en compte des enseignements dans les initiatives axées sur l'élaboration des grandes orientations. Une coordination efficace est également requise pour travailler davantage en synergie avec le programme de prêts bénéficiant de l'appui du FIDA.

IV. Cadre stratégique du FIDA pour le pays

A. Avantage comparatif du FIDA

19. L'avantage comparatif du FIDA réside dans son mandat tout à fait spécifique que sous-tendent des méthodes innovantes de réduction de la pauvreté et de développement agricole et rural, de solides partenariats avec les provinces et la souplesse de la conception et de l'exécution qui encourage la prise en charge par le gouvernement. Pour tirer parti de cet avantage, il faut de toute évidence que le FIDA veille plus activement à ce que l'expérience acquise au fil de l'exécution de son programme de prêts et de dons soit prise en compte dans les politiques nationales.
20. S'appuyant sur les approches axées sur le commerce et utiles aux pauvres lancées au cours de la période du COSOP 2002-2007, la stratégie arrêtée pour la période 2008-2012 ciblera les hautes terres. Les critères de sélection comprendront:
 - i) l'incidence de la pauvreté par province; ii) la présence de minorités ethniques; iii) le niveau total de ressources mises à la disposition de la province, qu'il s'agisse des investissements du secteur privé, du budget de l'État ou des fonds provenant d'autres donateurs; iv) l'engagement, la volonté et la capacité d'absorption de la province; et v) l'impact potentiel d'une contribution du FIDA.

B. Objectifs stratégiques

21. La poursuite de la croissance, l'acquisition du statut de pays à revenu intermédiaire et l'intégration au sein de l'économie mondiale ainsi que l'adhésion du Gouvernement vietnamien à la lutte contre la pauvreté telle que définie dans son PDSE ouvrent la voie à une réduction considérable de la pauvreté. Le présent COSOP met l'accent sur les pauvres des hautes terres, l'enjeu principal de la lutte contre la pauvreté au Viet Nam au cours des cinq années à venir et au-delà. Des études provenant de la région montrent que les investissements dans les régions défavorisées ont des effets plus marqués sur la croissance, le recul de la pauvreté et l'environnement que des investissements comparables dans des zones plus favorisées¹³. En outre, le FIDA doit s'assurer que ses investissements prennent en compte les scénarios concernant le changement climatique et contribuent aux mesures d'adaptation.
22. Pour améliorer les moyens de subsistance des ruraux pauvres des hautes terres, les quatre objectifs stratégiques interdépendants ci-dessous sont proposés.

¹³ Shenggen Fan et Peter Hazell "Are Returns to Public Investment Lower in Less-Favoured Rural Areas? An Empirical Analysis of India", *Economic and Political Weekly* (22 avril 2000): 1455B1463; et Shenggen Fan, Linxiu Zhang et Xiaobo Zhang, "Growth and Poverty in Rural China: The Role of Public Investments", Document de synthèse n° 66 de la Division environnement et technologie de production de l'Institut international de recherche sur les politiques alimentaires, Washington D.C., 2000).

23. **Objectif stratégique 1. Les ménages ruraux pauvres des hautes terres accèdent aux marchés grâce au renforcement des partenariats avec le secteur privé.** Contrairement aux zones de basse altitude où l'investissement privé est en progression, les hautes terres tardent à attirer les investisseurs privés. La production d'aliments de base est plus économique dans les zones de basse altitude et dans les plaines irriguées, les hautes terres étant plus adaptées pour la production de denrées à valeur ajoutée, de produits de l'élevage et de produits agroforestiers, pour l'aquaculture et les services d'écotourisme. La prise en compte des aspects agroécologiques se traduira par de nouvelles possibilités de revenus pour les pauvres si des liaisons commerciales et des filières efficaces sont établies et si les investissements sont réalisés par des entreprises viables. Les obstacles à l'investissement privé dans les hautes terres sont l'absence d'une politique provinciale dynamique pour attirer et promouvoir le secteur privé, la faiblesse des institutions, la quasi-inexistence d'un environnement favorable aux entreprises et le manque d'infrastructures.
24. Le FIDA travaillera avec les provinces pour élaborer des mesures spécifiques destinées à instaurer un environnement favorable à l'activité économique et une culture institutionnelle. Ces mesures porteront notamment sur les coûts initiaux, l'accès à la terre et la sécurité foncière, la transparence et l'accès à l'information, le coût de la mise en conformité avec la réglementation, les frais annexes et l'atténuation du parti pris en faveur des entreprises d'État, l'élaboration des programmes de formation professionnelle et les institutions juridiques. Les projets encourageront la diffusion de l'information commerciale et la connaissance des marchés en faveur des organisations intervenant du côté de l'offre (groupements et associations de producteurs et d'agriculteurs, coopératives) et chercheront à attirer l'investissement privé en recourant à la promotion commerciale (foires commerciales, expositions, missions commerciales, rencontres et réseaux commerciaux). Cet objectif stratégique établit un lien entre les ruraux pauvres et le premier axe du PDSE qui porte sur la croissance économique et la compétitivité.
25. **Objectif stratégique 2. Les ménages pauvres et vulnérables tirent parti des possibilités d'activités économiques rentables.** Pour que les ménages pauvres et vulnérables puissent eux aussi tirer parti des possibilités d'activités économiques rentables, certaines conditions essentielles doivent être remplies: il faut que les ménages aient atteint la sécurité alimentaire et que les communautés bénéficient des services essentiels (eau et assainissement, écoles, dispensaires). En raison de chocs saisonniers, ponctuels ou structurels (décès, maladies, épidémies, modifications soudaines des prix sur les marchés, catastrophes naturelles), les ménages vulnérables vivant dans l'insécurité alimentaire, en particulier dans les hautes terres, ont du mal à diversifier leur production au-delà des aliments de base (riz, maïs, manioc, patate douce). De plus, ces ménages n'ont guère accès à l'infrastructure, sont confrontés à l'augmentation des coûts des intrants agricoles (semences, pesticides, herbicides et engrais), manquent d'installations de transformation et ne disposent que rarement des technologies agricoles qui pourraient les aider à produire un excédent commercialisable.
26. Le FIDA encouragera les travaux publics à forte intensité de main-d'œuvre choisis par les communautés (routes d'accès, réseaux d'adduction d'eau et d'égout, réservoirs d'eau et petits périmètres irrigués, installations d'entreposage, amélioration des sols, etc.), les fonds autorenewables et le microfinancement en faveur des activités productives pour permettre aux ménages des hautes terres de se constituer un capital initial. Les projets du FIDA entendent: i) améliorer les équipements communautaires liés aux marchés et à l'infrastructure nationale; ii) renforcer la capacité des organisations agricoles; iii) développer des technologies adaptées aux hautes terres et en assurer le transfert pour produire les aliments de base à moindre coût et diversifier la production au profit de cultures de rendement plus élevé, de produits de l'élevage et de produits forestiers, y compris les activités après récolte; iv) faciliter l'accès aux services financiers (crédit, dépôts,

micro-assurance); et v) développer les compétences requises pour exercer des activités économiques hors de l'agriculture (par exemple transformation, commercialisation et écotourisme). Cet objectif stratégique établit un lien entre les ruraux pauvres et le deuxième axe du PDSE qui entend favoriser le progrès social et garantir l'accès aux services sociaux et productifs essentiels.

27. **Objectif stratégique 3. Les communautés pauvres des hautes terres parviennent à accéder aux ressources naturelles productives et à en tirer durablement des avantages.** La subsistance des communautés des hautes terres dépend des ressources naturelles (terre, eau, forêts). Ces ressources sont mises à rude épreuve en raison, d'une part, d'un régime foncier mal défini et de pratiques non écologiquement viables incluant le déboisement, l'agriculture sur brûlis et l'intensification de l'activité agricole dans des zones fragiles (par exemple sur les pentes des collines) et, de l'autre, de conditions météorologiques toujours plus imprévisibles. Face à l'ampleur croissante des évolutions du climat, cet objectif stratégique souligne la nécessité de prendre en compte les effets du changement climatique sur les populations rurales pauvres et les ressources naturelles dont elles dépendent, de commencer à prendre des mesures pour atténuer leur vulnérabilité et de diminuer les émissions de gaz à effet de serre.
28. Des activités seront lancées pour mettre à l'essai le développement de systèmes de production agricole et de répartition des cultures capables de s'adapter au changement climatique et donc de maintenir et/ou d'accroître les rendements et d'augmenter l'accumulation du carbone dans les sols. À cet égard, la conception du projet prévoira des pratiques de gestion durable des terres renforçant la capacité d'adaptation au changement climatique. L'intensification écologiquement viable de l'agriculture dans les hautes terres devrait trouver le juste milieu entre la nécessité d'assurer la sécurité alimentaire et les possibilités offertes à plus long terme par des produits de valeur élevée adaptés aux écosystèmes d'altitude fragiles. De même, une exploitation durable des forêts offre toute une gamme de services environnementaux tels que la séquestration du carbone, la préservation de la biodiversité, la régulation des cours d'eau et l'approvisionnement en eau salubre en aval. Diverses activités cruciales seront entreprises pour réduire les émissions de gaz à effet de serre, un facteur déclenchant des mécanismes de financement des conséquences du changement climatique, qu'ils soient liés ou non à la convention de Kyoto, de façon à mobiliser des fonds supplémentaires pour les projets du FIDA. Cet objectif stratégique est en rapport avec le troisième axe du PDSE (protection des ressources naturelles et de l'environnement pour un développement durable).
29. **Objectif stratégique 4. Les populations rurales pauvres contribuent au processus d'élaboration de politiques agricoles à vocation commerciale favorables aux pauvres au niveau infranational.** Une stratégie sera formulée et mise en œuvre à l'échelle des provinces pour promouvoir une agriculture à vocation commerciale répondant aux besoins des pauvres, le renforcement des capacités permettant d'en assurer le succès. Le FIDA aidera les collectivités locales à préparer et à mettre en œuvre des stratégies et plans de développement des marchés agricoles ciblés, participatifs et axés sur les résultats à l'échelle des provinces, des districts et des communes. Il faudra à cet effet réformer les institutions et les procédures des organismes concernés chargés de la planification, de l'administration et de l'appui technique à l'échelle des provinces, des districts et des communes, y compris le renforcement des capacités du personnel en conséquence, pour assurer une participation plus efficace et plus rationnelle du secteur privé à la production agricole et aux services d'appui. Cet objectif stratégique est en rapport avec le quatrième axe du PDSE, qui porte sur la gouvernance et en particulier la capacité des autorités infraprovinciales.

C. Perspectives d'innovation

30. Le FIDA tentera d'inclure dans sa réserve les innovations ci-après en vue de leur application à plus grande échelle dans les interventions du programme:
- **Investissements utiles aux pauvres des hautes terres:** le FIDA contribuera à la formulation de stratégies visant à encourager les investissements privés utiles aux pauvres par le biais d'ateliers, d'études, de la formation, de l'assistance technique et de la concertation sur le fond avec les autorités provinciales et les organismes du gouvernement central. Le travail de recherche innovant entrepris dans le cadre de l'initiative *Making Markets Work Effectively for the Poor* sera renforcé. Un indicateur de la compétitivité en milieu rural dans les provinces pourrait être élaboré pour suivre la qualité des prestations dans diverses provinces où intervient le FIDA.
 - **Développement et transfert de technologie en faveur des hautes terres:** il existe de nombreuses possibilités de participation des instituts de recherche du Ministère de l'agriculture et du développement rural ainsi que des universités d'agronomie à des activités de recherche participative appliquée (en exploitation) et adaptative concernant l'environnement agroécologique et social sans équivalent des hautes terres. Le projet lancera des contrats de recherche fondés sur les **résultats** dans le domaine de la recherche participative appliquée et du transfert de technologie. Instituts de recherche, universités, ONG, organisations de masse et secteur privé pourront se faire concurrence.
 - **Mécanismes de financement de l'adaptation au changement climatique:** l'un des thèmes transversaux de l'intervention du FIDA sera le développement de systèmes agricoles capables d'adaptation au changement climatique axés sur la réduction des émissions de gaz à effet de serre, en limitant les émissions dues au déboisement et à la dégradation des forêts et en lançant des activités d'agroforesterie à assise communautaire pour assurer la séquestration du carbone dans les hautes terres. Le FIDA, en partenariat avec le Mécanisme mondial, pourrait appuyer la formulation en cours d'un plan d'action pour l'atténuation et l'adaptation¹⁴. Des projets pilotes, la réalisation d'études et des activités de renforcement des capacités seront des contributions essentielles aux programmes et politiques nationaux axés sur le changement climatique.

D. Stratégie de ciblage

31. Les groupes cibles du FIDA sont les populations rurales pauvres des hautes terres. Ce sont notamment: i) des petits producteurs qui vendent une bonne part de leur production; ii) des paysans pratiquant une agriculture de subsistance qui consomment la plupart de leur propre production tout en participant à d'autres segments du marché, en particulier en vendant leur force de travail; et iii) des travailleurs non qualifiés et des salariés. Les interventions seront conçues de manière à ce que les groupes ethniques minoritaires et les femmes en bénéficient. La stratégie de ciblage sera d'accroître la productivité agricole et la compétitivité des petits paysans participant aux marchés, d'accroître les possibilités de pénétration des marchés et d'améliorer les moyens d'existence des paysans pratiquant une agriculture de subsistance, ainsi que de diversifier les moyens de subsistance des travailleurs non qualifiés et des salariés par des activités extra-agricoles. La stratégie appuiera la décentralisation de la gouvernance à l'échelon des communes et des villages et l'autonomisation des ménages pauvres des hautes terres de façon à choisir des investissements et des services répondant aux besoins qu'ils expriment.

¹⁴ Le Gouvernement vietnamien a lancé un processus d'élaboration d'un plan d'action pour l'adaptation au changement climatique et l'atténuation de ses effets dans le secteur du développement agricole et rural.

32. Le programme sera conçu de façon à favoriser la participation des groupes ethniques minoritaires et à s'assurer qu'ils en tirent profit. Seront prévus à cette fin: une stratégie d'information adaptée (dans la mesure où de nombreux groupes ne parlent pas couramment la langue nationale et sont souvent analphabètes); l'alphabétisation et l'initiation à l'arithmétique; la définition et la hiérarchisation des besoins; des activités répondant aux besoins des minorités ethniques; et la sensibilisation du personnel du programme aux questions et problèmes concernant spécifiquement les minorités ethniques.
33. La prise en compte de la problématique hommes-femmes se poursuivra dans toutes les activités du programme. Les femmes seront spécifiquement visées en maintenant la parité au niveau de la prise des décisions concernant la gestion, en choisissant des femmes pour la formation professionnelle et la vulgarisation, en encourageant les groupements féminins d'épargne et de crédit, en ciblant les activités d'alphabétisation et d'initiation à l'arithmétique sur les femmes des minorités ethniques et en dispensant une formation sur la parité entre les sexes au personnel chargé du programme à tous les niveaux.

E. Articulation au niveau des politiques

34. Au fur et à mesure que le Viet Nam progresse et s'approche de la catégorie des pays à revenu intermédiaire, il est probable que l'orientation globale de l'APD évoluera, privilégiant non plus la prestation des services mais la gestion des connaissances, le renforcement des capacités, l'assistance technique et la concertation. Un effort systématique sera fait par les responsables de la présence du FIDA dans le pays pour planifier, mettre en œuvre, suivre et réviser les processus d'élaboration des grandes orientations, en particulier dans les domaines en rapport avec les objectifs stratégiques. Le FIDA encouragera également l'articulation des politiques par le biais de la coordination entre les provinces de la même région. En particulier, le programme de pays du FIDA pourrait faire évoluer les choses sur les questions énumérées au tableau 1.

Tableau 1

Questions de politique générale sur lesquelles doit se pencher le programme de pays du FIDA

<i>Questions de politique générale</i>	<i>Référence</i>	<i>Rôle du FIDA</i>	<i>Comment favoriser le changement</i>
Investissement du secteur privé dans l'agriculture des hautes terres	Loi unifiée sur les entreprises Loi générale sur l'investissement	Promouvoir l'investissement privé dans les hautes terres et encourager les liaisons commerciales utiles aux pauvres	Appuyer la formulation de la stratégie et du plan d'action provinciaux en faveur du développement du secteur privé moyennant l'assistance technique, la formation, l'organisation d'ateliers et la concertation sur les grandes orientations. Appuyer diverses institutions pour faciliter les investissements privés (contrats, indicateurs géographiques, zones de transformation des produits agricoles, centres de promotion de l'investissement, services d'information commerciale). Subventionner des études sur les filières pertinentes pour les hautes terres. Documenter l'expérience acquise dans le cadre du programme en matière de réduction de la pauvreté par des activités de développement des marchés et des chaînes de valeur. Organiser des ateliers et un dispositif de remontée de l'information avec les autorités provinciales et les organismes du gouvernement central.
Aptitude des populations pauvres des hautes terres à tirer parti des possibilités d'activités économiques	PDSE Programme 135-Phase II Décret 59 Décret 29	Promouvoir l'infrastructure communautaire et les organisations agricoles Favoriser l'apparition d'un nouveau type d'institutions de microfinancement	Encourager la mise en place d'une stratégie de communication faisant appel à toute une gamme de moyens de communication, par exemple la télévision, les réunions et les bulletins d'information au niveau local. Fournir aux districts et aux communes des lignes directrices pour aider à la mise en œuvre, y compris dans les langues des minorités ethniques. Appuyer le développement et le renforcement des organisations agricoles et des groupes d'usagers en ce qui concerne l'exploitation et l'entretien. Établir un programme servant de dispositif de sécurité pour les populations pauvres ayant une activité productive. Soutenir la transformation des groupements informels d'épargne et de crédit ou des fonds de capitaux productifs en institutions de microfinancement dans la province d'intervention. Lancer à titre expérimental et généraliser des services d'envoi de fonds pour aider les migrants (en particulier dans le pays). Fournir une assistance technique, renforcer la capacité sectorielle, définir des normes, adopter des codes de conduite, et contribuer à la concertation sur les grandes orientations. Participer à titre de sponsor au groupe de travail sur la microfinance.
	Loi sur les activités d'assurance	Favoriser l'apparition de produits financiers, par exemple de micro-assurance en milieu rural	Lancer des expérimentations dans le domaine de la micro-assurance, regroupement des petits risques encourus par plusieurs familles pour faciliter leur prise en charge par les compagnies d'assurance en faisant intervenir des ONG, des organisations de masse, des institutions de microfinancement, des fonds de capitaux productifs ou même des succursales de banque.
	Décret 56	Encourager le développement et la diffusion de technologies adaptées aux hautes terres et aux populations pauvres	Appuyer la formulation de la stratégie du plan d'action provincial pour le développement et la diffusion des technologies. Appuyer la recherche appliquée en exploitation et la diffusion des technologies, en collaboration avec les instituts de recherche des hautes terres (contrats axés sur des résultats précis) et le secteur privé (fonds de contrepartie). Groupe des donateurs de la deuxième phase du Programme 135. Appui en faveur du groupe de travail, des ateliers, des démonstrations, des visites d'études, de la formation professionnelle, de l'assistance technique.
Droits d'utilisation des ressources forestières et rémunération des services environnementaux	Stratégie de développement du secteur forestier Décret 23 Résolution 28	Favoriser l'attribution des terres forestières aux communautés, aux ménages et aux entreprises privées	Lancer à titre expérimental la rémunération à l'échelle communautaire des programmes de services environnementaux. Appuyer la mise en œuvre de la politique de répartition des terres forestières avec les CPP. Appuyer la formulation du plan d'action du Viet Nam pour l'atténuation des effets du changement climatique et l'adaptation.
Renforcement des capacités	Programme global de renforcement des capacités Réforme de l'administration publique	Renforcer la capacité des institutions des provinces, des districts et des communes	Formuler une stratégie et un plan d'action provinciaux pour améliorer l'environnement économique et la gouvernance axée sur la commercialisation. Faire participer les instituts de recherche et les universités nationales et régionales.

V. Gestion du programme

A. Gestion du COSOP

35. Un rapport annuel sur l'état d'avancement de la mise en œuvre du COSOP sera préparé par l'EGPP à partir du cadre de gestion des résultats. Il contiendra les informations ci-après: i) impact sur la pauvreté; ii) évaluation de la réalisation des objectifs stratégiques du COSOP en se référant aux indicateurs et aux échéances fixés pour montrer l'état d'avancement par rapport aux objectifs stratégiques; iii) rapport sur l'efficacité du ciblage; iv) performance du portefeuille de projets; et v) examens des informations remontant des clients. Ce rapport sera présenté pour examen lors d'une réunion conjointe annuelle des représentants du gouvernement, du FIDA et des partenaires de développement.

B. Gestion du programme de pays

36. Le Conseil d'administration du FIDA a approuvé en septembre 2007 la poursuite du programme relatif à la présence du FIDA dans les pays. Le Viet Nam disposait déjà à titre expérimental d'un bureau dans le pays, qui a maintenant été étoffé en détachant, toujours à titre expérimental, un chargé de programme de pays sur place. Pour que le FIDA garde sa pertinence dans un contexte aussi dynamique, le bureau de pays devra avoir des contacts réguliers avec le gouvernement, participer plus activement à la concertation sur les grandes orientations, s'associer à des partenariats et en créer, mettre davantage l'accent sur la gestion des connaissances et appuyer la mise en œuvre efficace du portefeuille en cours.
37. L'EGPP est principalement composée de représentants des Ministères du plan et de l'investissement, des finances, et de l'agriculture et du développement rural, du Bureau du gouvernement, des autorités provinciales et des directeurs de projets et programmes, du Bureau des Nations Unies pour les services d'appui aux projets, du siège du FIDA et du personnel sur le terrain, y compris le Directeur de la Division Asie et Pacifique (PI), de l'Équipe chargée de la gestion des résultats de PI, du Bureau du Contrôleur du FIDA, du Service juridique et de la Division consultative technique, du fonctionnaire du FIDA présent dans le pays et du chargé de programme de pays détaché. Le programme de pays met en place des alliances avec un cercle restreint de groupes de réflexion, d'instituts de recherche et d'experts nationaux qui participent aux diverses étapes de la conception et de l'exécution des projets et des programmes ainsi qu'au suivi et à la gestion du programme de pays.
38. Des activités de supervision sont directement exécutées par le bureau de présence du FIDA dans le pays, avec l'aide du siège.

C. Partenariats

39. **Partenariat avec le gouvernement et les institutions locales.** Dans le cadre de l'action mise en œuvre pour améliorer la qualité du programme de pays, on développera les partenariats avec les pouvoirs publics et les institutions locales, y compris la société civile, les organisations de masse, les instituts nationaux de recherche, les groupes de réflexion et les universités. Le secteur privé sera régulièrement consulté.
40. **Partenariat avec les organismes des Nations Unies.** Le FIDA participe au processus expérimental de réforme des Nations Unies et s'efforce en particulier d'instaurer des partenariats dans le cadre du programme de pays avec l'Organisation des Nations Unies pour l'alimentation et l'agriculture, l'Organisation des Nations Unies pour le développement industriel et le Programme des Nations Unies pour le développement. Le suivi des objectifs stratégiques de ce COSOP sera assuré par l'initiative Unité d'action des Nations Unies, dans le cadre de son deuxième plan commun. Le FIDA étudie également la possibilité de signer un mémorandum d'accord concernant l'initiative "un dirigeant commun".

41. **Partenariat avec les partenaires de développement.** En collaboration avec ses partenaires de développement, le FIDA se penche sur les thèmes particuliers ci-après.
- i) **Renforcer l'impact par le biais de la gestion des savoirs.** Le FIDA collabore avec l'Agence allemande de coopération technique (GTZ) et avec la deuxième phase de l'initiative *Making Markets Work Better for the Poor* (M4P-II) de façon à documenter et à capitaliser les enseignements tirés de l'exécution en ce qui concerne la réduction de la pauvreté axée sur des activités commerciales et à produire des supports d'information.
 - ii) **Encourager les alliances en matière d'apprentissage.** Le FIDA s'associera, aux fins de l'apprentissage, à toute une gamme de partenaires de développement, dont la Banque asiatique de développement, l'Agence australienne pour le développement international, l'Agence canadienne de développement international (ACDI), l'Agence danoise de développement international, la Finlande, le Mécanisme mondial, la GTZ, l'Agence néozélandaise pour l'aide internationale et le développement, l'Agence néerlandaise de développement international (CNV), l'Agence suédoise de coopération internationale au développement (ASDI), la Direction du développement et de la coopération de la Suisse (DDC), le Ministère du développement international du Royaume-Uni (DFID), l'Agence des États-Unis pour le développement international et la Banque mondiale. Cette alliance permettra d'aborder des questions telles que le changement climatique, la rémunération des services environnementaux, la sécurité sanitaire des aliments et les normes applicables en la matière, ainsi que la facilitation de l'accès des populations rurales pauvres aux marchés.
 - iii) **Prise en compte des enseignements à l'échelle des politiques et institutions provinciales.** Des instances communes seront mises en place à l'échelle des provinces pour intégrer l'expérience tirée des projets dans les processus politiques et institutionnels provinciaux, par exemple avec l'ASDI dans la province de Ha Giang, avec l'ACDI dans les provinces de Ha Tinh et Tra Vinh, avec la DDC et le Luxembourg dans la province de Cao Bang et avec la GTZ dans les provinces de Ben Tre, Tra Vinh et Ha Tinh.
 - iv) **Veiller à la pérennité de l'action par une concertation en amont sur les grandes orientations, à l'échelle nationale.** On cherchera à améliorer la coordination avec les organismes pertinents participant à l'initiative Unité d'action des Nations Unies. Pour ce qui est des activités de développement rural, le FIDA restera membre du groupe international de soutien du Ministère de l'agriculture et du développement rural. Pour tout ce qui touche aux forêts, il participera au Cadre national de programmation de ce Ministère pour une gestion durable des terres forestières, l'organe national de coordination pour ce qui est des activités liées à la Convention des Nations Unies pour la lutte contre la désertification. Pour les questions se rapportant au développement communautaire, le FIDA restera membre du Comité du partenariat pour la deuxième phase du programme 135 (P135-II).
42. On trouvera dans le dossier-clé n° 3 un tableau des partenariats mettant en relief les synergies et les complémentarités.

D. Gestion des savoirs et communication

43. Le FIDA axera son action de gestion des savoirs sur les thèmes correspondant aux objectifs stratégiques du COSOP. Il inclura dans tous ses projets de don et de prêt futurs, lors de leur conception, des "priorités en matière d'apprentissage" précisant ce que les parties prenantes espèrent apprendre grâce au projet, sous quelle forme ils capitaliseront les enseignements, comment ils entendent transmettre cette information et à qui. La planification, la communication et le suivi des activités de gestion des savoirs se feront par le biais des plans de travail et budgets annuels, des

rapports d'étape et des rapports de supervision. Chaque projet financé par le FIDA, qu'il s'agisse d'un don ou d'un prêt, produira au moins un rapport par an (par exemple, document de recherche, présentation audiovisuelle ou orale) sur un aspect des thèmes en rapport avec les objectifs stratégiques. Les documents qui capitalisent les connaissances seront diffusés par le biais de visites d'échange entre les projets et lors d'une foire annuelle d'échange de savoirs au cours de laquelle de nombreux exposants présenteront des supports divers sur la gestion des savoirs. En outre, le programme de pays du FIDA prendra des mesures pour améliorer la gestion des dons, pour qu'ils contribuent davantage à la réalisation des objectifs du COSOP en matière de gestion des savoirs et de concertation, et pour développer les synergies avec le programme de prêts.

E. Cadre de financement SAFF

44. Le système d'allocation fondé sur la performance (SAFF) du FIDA détermine le montant des fonds disponibles pour le Viet Nam au cours de la période du COSOP, à savoir 2008-2012. Ce chiffre a été calculé à partir d'une évaluation du cadre sectoriel du développement rural dans le pays, de la notation des projets à risque (PAR), de l'indice d'affectation des ressources de l'Association internationale de développement et des notes finales. Au cours de la période proposée pour ce COSOP, l'allocation totale disponible pour le pays est, à titre indicatif, d'environ 80 millions d'USD.

Tableau 2
Calcul de l'allocation SAFF pour la première année du COSOP

<i>Indicateur</i>	<i>COSOP année 1</i>
Notes évaluant le secteur rural	
A i) Cadre politique et juridique applicable aux organisations rurales	4,60
A ii) Concertation entre le gouvernement et les organisations rurales	4,50
B i) Accès à la terre	4,20
B ii) Accès à l'eau à usage agricole	3,71
B iii) Accès aux services de recherche et de vulgarisation agricoles	3,25
C i) Création de conditions propices au développement des services financiers ruraux	3,75
C ii) Climat de l'investissement pour les entreprises rurales	4,50
C iii) Accès aux intrants agricoles et aux marchés des produits agricoles	4,75
D i) Accès à l'éducation en milieu rural	5,00
D ii) Représentation des femmes	4,75
E i) Allocation et gestion des ressources publiques destinées au développement rural	4,67
E ii) Obligation de rendre des comptes, transparence et corruption dans les zones rurales	4,22
Somme des notes cumulées	51,9
Moyenne pour la performance du secteur rural	4,33
Notes PAR (2007)	3,0
Indice d'affectation des ressources de l'IDA (2006)	3,9
Note du pays (2007)	11 778
ALLOCATION ANNUELLE (2009)	19,99 millions

Tableau 3
Relations entre les indicateurs de performance et la note du pays

Scénario de financement	Note PAR (+/- 1)	Note de performance du secteur rural (+/- 0,3)	Variation en pourcentage du score SAFP du pays par rapport au scénario de base
Hypothèse basse	3,5	4,03	-21%
Hypothèse de base	4,5	4,33	0%
Hypothèse haute	5,5	4,63	24%

F. Risques et gestion des risques

Tableau 4
Facteurs pouvant faire obstacle à la réalisation des objectifs stratégiques du COSOP

Objectif stratégique	Risque	Gestion du risque
OS1: Les ménages ruraux pauvres des hautes terres accèdent aux marchés grâce au renforcement des partenariats avec le secteur privé	Répugnance du secteur privé à investir dans les provinces des hautes terres	<ul style="list-style-type: none"> • Veiller à ce que les CPP adoptent des règlements locaux adaptés pour instaurer un environnement économique propice et appuyer l'investissement privé • Renforcer les institutions locales, y compris le Centre provincial de promotion de l'investissement • Les projets du FIDA doivent prévoir un don de contrepartie pour encourager la création d'entreprises ou assurer le cofinancement de l'assistance technique
OS2: Les ménages pauvres et vulnérables tirent parti des possibilités d'activités économiques rentables	Forte fluctuation des prix internationaux et changement rapide des créneaux commerciaux	<ul style="list-style-type: none"> • Réaliser des études de marché et des rapports d'information commerciale et en communiquer les résultats aux autorités provinciales
	La vulnérabilité des ménages les plus pauvres en cas de catastrophes naturelles, de maladies des animaux ou des végétaux	<ul style="list-style-type: none"> • Encourager la mise en place d'un dispositif de sécurité productif • Promouvoir la micro-assurance et les produits de microfinancement adaptés
OS3: Les communautés pauvres des hautes terres parviennent à accéder aux ressources naturelles productives et à en tirer durablement des avantages	Peu de réactions des ménages face aux nouvelles possibilités d'activités économiques	<ul style="list-style-type: none"> • Améliorer la connaissance et la compréhension des marchés • Mieux échelonner le programme de dispositifs de sécurité productifs • Accélérer le développement des infrastructures communautaires et des services financiers
	Hésitation des provinces à attribuer des terres forestières et agricoles aux agriculteurs pauvres	<ul style="list-style-type: none"> • Le programme d'attribution des terres forestières devrait être l'une des conditions déclenchant le décaissement pour une composante donnée • Les CPP mettent en œuvre le Plan gouvernemental de restructuration des entreprises forestières d'État
OS4: Les populations rurales pauvres contribuent au processus d'élaboration de politiques agricoles à vocation commerciale favorables aux pauvres au niveau infranational	Lenteur de l'exécution des projets par les communes et les districts	<ul style="list-style-type: none"> • Le projet définit des lignes directrices pour l'appui à l'exécution, à l'échelle tant des districts que des communes • On veille à ce que les activités prévues des projets soient prises en compte dans le plan de développement socioéconomique annuel des communes (PDSE) et approuvées aux niveaux des districts et des CPP • Des systèmes de gestion informatisée/et de S&E sont mis en place dans le cadre des systèmes de suivi et de communication de l'information des provinces

COSOP consultation process

1. May/June 2007 and onwards: Formation and Development of the Country Programme Management Team (CPMT):

While support from the different Ministries has always been strong, the CPR and COSOP has helped to form a stronger CPMT within the Government and composed of:

- Focal points, Ministry of Planning and Investment
- Focal points, Ministry of Finance
- Focal points, Office of the Government
- Focal points, Ministry of Foreign Affairs
- Focal points, Ministry of Agriculture and Rural Development

Strengths: The CPMT led by the government has coordinated inputs from different ministries, which is usually difficult to do in Viet Nam, as Ministries tend to stick to their jurisdictions. In IFAD, within the Asia Division, the PI Director, Regional Grants Coordinator and Knowledge Management focal point contributed and made proactive inputs into the process and there were inputs from the PMD front office for PBAS and quality enhancement process.

Weaknesses: If the CPMT is to involve other IFAD in-house offices, there could have been more support from the policy division, technical division, FCL and OL during formulation. It is envisaged that during the quality enhancement process that this will take place. In-country, while it was planned that there would be much more consultation and team building within the UN Country team, this has not been possible due to time constraints. This would be developed during implementation.

2. July/August 2007: Country Programme review:

Prior to defining a new COSOP, the Government requested IFAD to partake in a review of the IFAD country programme, which was led by a Country Programme Review (CPR) Working Group. This CPR-WG was led by the Ministry of Finance (MoF) and comprised of representatives of the Ministry of Planning and Investment (MPI), Ministry of Foreign Affairs and consulted Ministry of Agriculture and Rural Development and Office of Government. IFAD participated in the CPR covering all projects and programmes financed during the period of the current COSOP 2002 – 2007.

The overall goal of the CPR was to assist Government, together with provincial level authorities and implementing partners, to learn from the IFAD experience, to provide direct input into the COSOP (2008 – 2012) for Viet Nam and to improve the future performance of the IFAD country programme. The review process was carried out in 2 phases. Prior to the CPR Mission, site visits were conducted to IFAD projects by CPR Working Group to make assessments.

The CPR Mission (23 July – 10 August) consisted of a desk review of all available reports and other documents produced by the projects, the Cooperating Institution and by IFAD in relation to programme design, implementation and performance, supervision or follow-up; discussion with partners and site visits to IFAD project provinces.

It was agreed that the findings, recommendations, and conclusions would be discussed after further internal consultation.

Strengths: The CPR is an exercise that is internally mandated by the Government and hence the Ministry of Finance needed it with or without IFAD. Hence, their leadership of the exercise was obligated, so it was excellent for IFAD to be able to synchronize its timing with the Government CPR-WG so that outputs were mutually reinforcing.

Weaknesses: While it was envisaged that Project Directors from on-going IFAD-financed projects; donor agencies who have cofinanced the IFAD Country and the UN

family would be active members to the process and party to the conclusion, the most we could do at this stage was to consult them.

3. September 2007: Poverty Analysis:

A preliminary baseline poverty analysis was carried out by students from Llund University. The students were part of Master's programme in International Development.

Strengths: Students were able to dedicate their time to an effort, which turned out to be beneficial for the COSOP process and also in line with their work for the University.

4. October 2007-April 2008: Special Topics: Partnership with the Global Mechanism for Mainstreaming Climate Change and Land Degradation Concerns into the COSOP:

The main objective was to incorporate analysis on climate change and land degradation (CC/LD) in the COSOP for facilitating the uptake of climate change adaptation/mitigation measures in the pipeline. A number of outputs were requested in a rolling manner initiated in October of 2007 and eventually finalized in April of 2008. A final report was produced analysing CC/LD impacts based on predicted climate change scenarios in Viet Nam and accompanying policy implications for orienting IFAD's support over the next 5 years. In addition, the report articulated key intervention areas for IFAD operations; an estimate of the greenhouse gas mitigation potential in the agricultural sector and estimated monetary value; and an approach for capturing carbon financing mechanisms. This initiative was cofinanced by the Global Mechanism (GM) and IFAD, while technical guidance was provided by the GM.

Strengths: In a new area, where IFAD does not have identified partners for articulating climate change issues, the partnership with the Global Mechanism was key in providing technical expertise for ensuring that CC/LD issues were adequately taken into consideration in orienting the strategic thrust of the COSOP.

Weaknesses: Introducing new areas such as climate change into the country programme proved to be much more challenging within the originally intended time frame given the complexity of the topic and limited available information.

5. November 2007: COSOP Formulation Mission:

The COSOP Mission started off with a start up workshop with a validation of preliminary findings and conclusions of the CPR at the Ministry of Planning and Investment with the members of CPR-WG on the 12 of November to. The conclusion points can be found in Appendix IV.

The COSOP Mission worked in Hanoi and based its findings on consultations with the central line agencies, local officials, academics and development partners and secondary review of their different programmes and projects.

Strengths: Overall strategy was formulated in line with the Government's ongoing SEDP 2006–2010 and separate technical working papers were formulated with additional features, e.g. knowledge management, COSOP management and monitoring and climate change.

Weaknesses: Time was not allocated to do field visits as it was felt that field findings from the CPR would be sufficient. However, Hanoi based work did not give us a basis for the Project Concept Notes. While it was planned that a debriefing would be held in MPI (23 November), where an Aide-memoire would be discussed, the Mission did not feel that the COSOP was in a form that was ready to share.

6. January/February 2008: Global Environment Facility Partnership and PIF Development:

An IFAD/GEF Mission was mounted in January to design a concept (Project Identification Form, PIF) for GEF financing. The PIF was submitted to the GEF as part of the Country

Program Framework for Sustainable Forest Land Management (CPPSFLM) in February, and should be approved in April this year. Activities would fit within the larger Forest Sector Support Program and Partnership, which promotes sustainable forest and land management, linking Rural Livelihoods and sustainable land management and Support to the implementation of the national forest land allocation program. GEF would be mobilising much needed financing for capacity building for some of the new aspects of the country programme, which require closer follow up.

The proposal works towards avoiding the degradation of forests, forest margins and further forest fragmentation caused by agriculture, logging and unsustainable harvesting of fuel wood, promotion of market-based instruments for biodiversity conservation (payments for environmental services, forest certification) and supporting the reduction of emissions from deforestation and forest degradation through conservation and management.

Strengths: GEF was able to mobilize a mission very quickly and used its capacities to develop the PIF and its institutional partnerships to submit to the GEF Secretariat in an incredibly short time frame. GEF financing would be complementary to the projects that IFAD will initiate within the context of the COSOP and be particularly useful as there will need to be capacity building to implement these ideas. Moreover, partnership with GEF would ensure quality in the areas of its concern.

7. April 2008: COSOP Consolidation Mission:

The objective is to verify the medium term action plan for IFAD and sharpen the approach in which to work with Viet Nam on its pathway to middle income status. The Mission was able to get government concurrence on the strategy around a limited number of key strategic objectives and agenda for policy dialogue, knowledge management and partnerships. The COSOP Consolidation Mission included members of MPI, MoF, OoG and national academia.

During the first week COSOP consolidation team divided into 2 teams, one team going to the North and Central Highlands Region and the other team going to the Mekong Delta Region. The second week was for consultation with key national resource persons in agriculture, development partners, UNCT, grants' focal points. The Divisional Director joined the Mission to work on the results management framework and provide strategic guidance to the team.

Strengths: By dividing the COSOP mission, between formulation and consolidation, it gave time for better consultation, modification and finalization of ideas. Moreover, in Viet Nam as documents need to be translated, it is useful to divide the process between draft and finalization, allowing time for comments and enhancing participation. The Mission had excellent participation by the Government giving them an opportunity to understand IFAD's target group and to interact with the Provincial authorities and also to mould their ideas about what the IFAD country programme should look like.

Weaknesses: Long engagement for development of the COSOP.

Country economic background

Land area (km² thousand) 2005 1/	310	GNI per capita (USD) 2005 1/	620
Total population (million) 2005 1/	83.12	GDP per capita growth (annual %) 2005 1/	7
Population density (people per km²) 2005 1/	268	Inflation, consumer prices (annual %) 2005 1/	8
Local currency Dong (VND)		Exchange rate: USD 1 = VND 15,940.00	
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1999-2005 1/	1.2	GDP (USD million) 2005 1/	52 408
Crude birth rate (per thousand people) 2005 1/	18	GDP growth (annual %) 1/	
Crude death rate (per thousand people) 2005 1/	6	2000	6.8
Infant mortality rate (per thousand live births) 2005 1/	16	2005	8.4
Life expectancy at birth (years) 2005 1/	71	Sectoral distribution of GDP 2005 1/	
Number of rural poor (million) (estimate) 1/	n/a	% agriculture	21
Poor as % of total rural population 1/	n/a	% industry	41
Total labour force (million) 2005 1/	44.04	% manufacturing	21
Female labour force as % of total 2005 1/	48	% services	38
Education		Consumption 2005 1/	
School enrolment, primary (% gross) 2005 1/	95	General government final consumption expenditure (as % of GDP)	6
Adult illiteracy rate (% age 15 and above) 2005 1/	n/a	Household final consumption expenditure, etc. (as % of GDP)	64
Nutrition		Gross domestic savings (as % of GDP)	30
Daily calorie supply per capita	n/a	Balance of Payments (USD million)	
Malnutrition prevalence, height for age (% of children under 5) 2005 2/	43	Merchandise exports 2005 1/	31 625
Malnutrition prevalence, weight for age (% of children under 5) 2005 2/	27	Merchandise imports 2005 1/	36 476
Health		Balance of merchandise trade	-4 851
Health expenditure, total (as % of GDP) 2005 1/	6 a/	Current account balances (USD million)	
Physicians (per thousand people)	n/a	before official transfers 2005 1/	-3 163
Population using improved water sources (%) 2004 2/	85	after official transfers 2005 1/	217
Population with access to essential drugs (%) 2/	n/a	Foreign direct investment, net 2005 1/	1 889
Population using adequate sanitation facilities (%) 2004 2/	61	Government Finance	
Agriculture and Food		Cash surplus/deficit (as % of GDP) 2005 1/	n/a
Food imports (% of merchandise imports) 2005 1/	6 a/	Total expenditure (% of GDP) 2005 1/	n/a
Fertilizer consumption (hundreds of grams per ha of arable land) 2005 1/	2 993 a/	Total external debt (USD million) 2005 1/	19 287
Food production index (1999-01=100) 2005 1/	124 a/	Present value of debt (as % of GNI) 2005 1/	38
Cereal yield (kg per ha) 2005 1/	4 780	Total debt service (% of GNI) 2005 1/	2
Land Use		Lending interest rate (%) 2005 1/	11
Arable land as % of land area 2005 1/	21	Deposit interest rate (%) 2005 1/	7
Forest area as % of total land area 2005 1/	42		
Irrigated land as % of cropland 2005 1/	34 a/		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database CD ROM 2007

2/ UNDP, *Human Development Report*, 2007/2008

COSOP results management framework

<i>Country Strategy Alignment</i>	<i>COSOP Strategic Objectives</i>	<i>COSOP Outcome Indicators</i>	<i>COSOP Milestone Indicators¹⁵</i>	<i>COSOP Institutional/Policy Objectives (in partnership mode)</i>
Improve economic efficiency and competitiveness (1.1.2)	SO1: Rural poor households in uplands access markets through increased private sector partnerships	Total value in two strategically chosen value chains increases (in each intervention province)	<ul style="list-style-type: none"> Private investment in upland provinces increases by 20% Number of micro, small, medium enterprises registered increases by 30% Provincial competitiveness index increases 	<ul style="list-style-type: none"> Provincial pro-poor, market driven private sector development policies and action plan Emergence of a favourable business environment and institutional culture at the provincial level Development of rural provincial competitiveness index
Reduce poverty and inequality (2.5.1)	SO2: Poor and vulnerable households take advantage of profitable business opportunities	Rural household income and food security increases, for at least 75% of the target group	<ul style="list-style-type: none"> Agricultural productivity and production increases by 20% Diversification of agricultural production Number of rural poor employed in non-farm opportunities increases 20% 	<ul style="list-style-type: none"> Technology transfer/ participatory adaptive strategy and action plan established at provincial level Government's resource allocation for public goods (research, infrastructure) in support of agricultural development Provincial VSCG and PCF evolving into microfinance institution Establishment of productive safety nets programme
CF Improve forestry and biodiversity management (3.1.1) Adopt sustainable use of water resources (3.1.2) Adopt more effective land management (3.1.3)	SO3: Upland poor communities secure access to/ and derive sustained benefits from productive natural assets	(i) 15% increase in forest coverage (ii) 30% decrease in land degradation of farmland	<ul style="list-style-type: none"> Number of households with improved access to forestlands increases by 25% Ha of land improved through enhanced land / water management techniques increased by 20% Upland poor communities adopt sustainable natural resource management practices 	<ul style="list-style-type: none"> Institutional capacities are strengthened at provincial, district and commune level, for the participatory formulation and implementation of pro-poor and market-driven agricultural policies Climate change mitigation and adaptation strategy and action plans implemented at the provincial level Establishment of payment for ecosystem service schemes
Strengthen capacity of sub-national government (4.3.1)	SO4: The rural poor contribute to pro-poor agricultural, market-driven policy processes at sub-national level	75% satisfaction rate of the quality of public service provision	<ul style="list-style-type: none"> Participatory multi-stakeholder processes implemented Results-based frameworks adopted by provincial institutions 	<ul style="list-style-type: none"> Capacity strengthening strategy and action plans

¹⁵ These numbers have been formulated as indicative figures but would be assessed in the first year annual COSOP review and updated accordingly.

Previous COSOP results management framework

In pursuance to the Millennium Development Goals, IFAD and the GoVN are committed to halving by the year 2015, the proportion of people whose incomes are less than one dollar per day, and the proportion of people who suffer from hunger, as clearly stated in the corporate, regional and country strategies and the CPRGS respectively. The following table summarizes the main thrusts thereof.

<i>IFAD's Strategic Framework</i>	<i>Regional Strategy</i>	<i>CPRGS: Rural Poverty And Vulnerability Reduction</i>	<i>Viet Nam's COSOP</i>
<p>Vision statement IFAD believes that increasing access to assets (human, social, natural, technological and financial assets) is crucial for broad-based growth and poverty reduction. Thus it fosters social development, gender equity, income generation, improved nutritional status, environmental sustainability and good governance within the following main thrusts:</p> <p>Human and social assets</p> <ul style="list-style-type: none"> Strengthening the capacity of the rural poor and their organizations <p>Financial assets and markets</p> <ul style="list-style-type: none"> Increasing access to financial services and markets <p>Productive assets and technology</p> <ul style="list-style-type: none"> Improving equitable access to productive natural resources and technology 	<p>Within the corporate thrusts, the Regional Strategy focuses on:</p> <ul style="list-style-type: none"> Enhancing women's capabilities in order to promote social transformation and agricultural development Reducing poverty by enhancing the capabilities of indigenous peoples and other marginalized groups Building coalitions of the poor Enhancing peace for poverty reduction Developing less favoured areas 	<p>Human and social assets</p> <ul style="list-style-type: none"> Building up new institutions that involve active participation of farmers, in production, processing and marketing; Establishing an education system for the people that is more egalitarian and of higher quality; <p>Financial and productive assets, markets</p> <ul style="list-style-type: none"> Reforming policies on land (e.g. security of land tenure), business environment, finance, investment and credit in order to make investments more pro-poor; enhancing access to credit and financial services for the rural poor; Facilitating sustainable management of natural resources with the involvement of all stakeholders, while protecting the environment and maintain a healthy life for the poor; Creating more jobs and raising rural incomes by developing rural industry, services and other off-farm activities; Increasing competitiveness of agricultural products in domestic and international markets, while improving processing capability in order to raise product quality and better meet domestic and export demand; Developing infrastructure to create opportunities and enable access to public services in poor areas; <p>Technology</p> <ul style="list-style-type: none"> Increasing productivity, reducing production costs, and promoting diversification in agricultural, forestry and fishery production, while, protecting and encouraging household, farm and private economies towards large-scale labour intensive production; 	<p>Human and social assets</p> <ul style="list-style-type: none"> Building the capacity of poor households and grass-roots institutions to enable them to take the lead in the development process and more effectively address poverty; Improving the role and status of women to improve their position within households and communities, and enhance their capabilities as agents of change. <p>Productive Assets and Technology</p> <ul style="list-style-type: none"> Improving food security for poorest and most vulnerable households in line with the regional target group focus by diversifying rural incomes and increasing rural employment ; Increasing access of the poor to productive resources, particularly land, credit and forest resources; Improving the management of these resources, by enabling the poor to access knowledge and technology, to generate income on a sustainable basis; Improving village-level infrastructure as an entry-point and critical foundation for social and economic development in poor areas; <p>Cross-Cutting Thrusts</p> <ul style="list-style-type: none"> Promoting good governance, with emphasis on implementation of decentralized project management and promotion of grass-roots democracy; Sharing lessons learned in the implementation of the IFAD-funded country programme to influence national policies and programs, in collaboration with like-

-
- Strengthening applied research and technology transfer and improving the extension system, paying special attention to the needs of farmers in mountainous areas; while developing a disaster Prevention Strategy to minimize losses, and stabilize livelihoods in disaster-prone areas.
-

minded ODA agencies.

Accelerating Market Orientation of Agriculture

I. Background

1. Market demand for the main crop commodities has increased over 2006 and 2007 and continues to be the cornerstone of agricultural exports. The major export contributors were rice USD 1.3 billion, coffee USD 1 billion, rubber USD 1.3 billion, cashew nuts USD 500 million, pepper USD 200 million, fruit and vegetables USD 260 million, and forestry products USD 1.92 billion. Quality of the exports is the main concern and Ministry of Agriculture and Rural Development (MARD), in its assessment of sector achievements, states that the quality of agricultural and forestry products is still limited and this reduces the competitiveness of Viet Nam's agricultural and forestry products. Rural industries and services, especially traditional handicraft villages, have also experienced growth rates of about 11 per cent/year since 2000, with almost 3,000 craft villages creating employment for 1.4 million households and generating US\$600 million in export value.
2. MARD and other government institutions have little experience and knowledge of the complex World Trade Organisation (WTO) regulatory environment and limits the support that can be provided to support exporters. MARD's Department of Science and Technology is responsible for standards and technical issues related to agricultural exports. The Department has yet to form a section responsible for these functions and provide comprehensive training in WTO regulations for the staff. While WTO membership brings a number of benefits, it also brings challenges. Farmers and whole industries struggle to meet the increased quality and other regulatory demands required under WTO and other trade agreements. The more commercialised segment of the sector is responding to market opportunities for the main commodities, but poor product quality limits income and market expansion. Development of agribusiness, increased efficiency of SOEs, continued investment in rural infrastructure, improved agricultural research and technology transfer are some of the factors that will contribute to increasing sector output.
3. Accelerating market orientation is essential for rural development in Viet Nam. Market development that includes transmission of market information to farmers in the value chains and the integration of small holders into evolving market structures is also important. There is considerable scope to improve business linkages amongst farmers, traders, processors and buyers through value chains. Stronger autonomous farmer organisations would facilitate speedier market development. Some of the challenges that the rural sector faces is low productivity, lack of irrigation facilities, poor condition of rural roads and other infrastructure, lack of skills of the labour force, lack of jobs in the rural sector, and growing illiteracy and the illiteracy of women.
4. Farm size is small and is commonly fragmented. Farmers are unable to achieve size economies and this influences profitability. It is estimated that there is just 0.1 hectare of agricultural land per person in Viet Nam, making land pressure one of the highest in the world. Moreover it is estimated that over the last 5 years arable land has decreased by over 70,000 hectares per year due to demands from housing, infrastructure and other uses. Data from the 2004 Viet Nam Household Living Standards Survey (VHLSS) shows that some 12 per cent of the ethnic minority population have no access to land (Swinkels and Turk 2006). While progress made towards poverty reduction has been impressive, the risk of households graduated out of poverty returning to poverty is high.

II. Geographic Area and Target Group

5. The target group would comprise of the rural poor households, which includes wage labourers, landless and farmers and vulnerable farmers with limited pieces of land, subsistence farmers and smallholder farmers who are market participants. There would be a specific focus on ethnic minorities. Project efforts would ensure the integration of rural poor households with those of other value chain participants.

III. Justification and Rationale

6. MARD has assessed that the main factors that constrained growth over the period 2000 to 2005 were: slow progress in restructuring the agricultural sector- slow development of the livestock breeding, industry and rural sectors; low productivity, quality and efficiency of agricultural products as well as weak competitiveness of agricultural products; inadequate investment in infrastructure to meet the demands of the sector; slow progress with reorganisation of agricultural institutions; high rates of poverty in the regions especially the Northern Mountains and Central Highlands.
7. Investment in agriculture is 5-6 per cent of total public expenditure. Features of the expenditure are the increasing amount under the control of provincial governments (74 per cent in 2005) and inappropriate balance between capital and operations and maintenance (O&M) expenditure. The main areas for expenditure reform are: redressing the balance between capital and recurrent expenditure, especially in the irrigation sub sector; and increasing expenditure on agricultural research and extension.
8. A small agricultural private sector is another growth constraint. Many of the agribusiness firms are State Owned Enterprises (SOEs). While there is an increased recognition of the need to increase the role of the private sector in agricultural development and reduce the burden of SOEs on public expenditure, the GoVN has yet to develop policies and regulations to facilitate this and encourage private sector investment, including FDI, in agriculture.
9. Knowledge of markets, prices, and product quality by farmers and state officials, including extension staff is limited. Several market information schemes have been developed with donor support, but have not been sustained. Main reasons for failure of these information systems are: the farmers were required to pay for the information; and the information was out of date by the time the farmers received it.
10. Performance of the agriculture, science and technology (AST) sector is poor. Research has been under funded and outputs have had a limited impact upon farm productivity. Investment in AST has been low at just 0.1 per cent of agriculture GDP – this compares to 1.4 per cent for Thailand, and 0.4 per cent for the People's Republic of China. Little effort has been made to develop appropriate technologies for poor upland farmers - most technologies are based on low land farming systems.
11. Technology transfer is weak. There is a national extension network managed through each province. Staff capacity is limited and their performance especially at the commune and district levels is poor. Extension is very focused on top down delivery systems based upon standardised models with weak linkages to markets and associated value chains. There are weak vertical and horizontal linkages with research organizations and other agriculture agencies. The Government has initiated a program to have an extension agent in each commune. The provision of extension agents alone, however, will have limited impact. Commune extension agents need to be part of a coordinated program that includes linkages with research programs, skills development and funding to enable them to service their farmer clients.
12. Access to credit can be limited if farmers do not have secure title to their land (red book). Developments in the banking sector means that lending to small farmers is higher risk and not a priority for the banks as they become more commercially focused. The Bank for the Poor (Social Bank) has a variety of lending rates of the

poor, but also has limited capital, thus reducing its capacity to meet the needs of the poor farmers. Recent changes in micro credit legislation mean that organisations such as the Women's Union (WU) can now become registered microfinance institutions. This will enable them to increase their capital base and lending to support their rural development programs, especially for the rural poor.

13. The thrusts of the proposed project include: (i) strengthened pro-poor targeting; (ii) more participatory and pluralistic research and advisory services; (iii) improved agricultural market planning at provincial and local levels; (iv) increased private sector participation in market development and service delivery; and (v) the exploration of productive safety net systems.

IV. Project Approach

14. Small farm areas of agricultural and forestry land, low productivity of soils and other constraints limit significant output growth being achieved. Rural development should not be just focused upon the assumption that increased agricultural and forestry outputs will provide the income needed to lift, and keep, the rural poor out of poverty. Livelihood developments for the rural poor, therefore, need to consider a range of options – both agricultural and non-agricultural.
15. Successful smallholder development will be enhanced if the farmers are able to develop linkages with marketers and processors through agribusiness value chains. Programs that have adopted this approach have already shown some success. Agricultural livelihoods for the rural poor can also be developed through the encouragement of private sector investment at the provincial level.

V. Key Project Objectives

16. The proposed **development objective** of the Project would be to improve the incomes and reduce vulnerability of rural poor households. The **purpose** of the programme is to demonstrate an environmentally sustainable, socially equitable and profitable rural development model around enhancing competitiveness and agricultural diversification targeting rural poor households.

VI. Components and Activities

Component 1: Agriculture Market Planning and Private Sector Promotion

17. Component-level outcomes would include: (i) targeted, participatory and results-based agriculture market development plans at provincial, district and commune levels; (ii) profitable and sustainable relationships between poor farmers and rural businesses established.
18. The Project would assist the province to prepare provincial agriculture market development plans based on market assessments to identify strategic regional markets. The Project would assist the authorities at provincial and district/commune levels to prepare, implement and monitor targeted, participatory market analysis and planning and carry out periodic market assessments identifying local comparative advantage. Participatory market analysis and planning would be carried out with all stakeholders: the landless, poor farmers, and local leaders. Capacity would be built of local government, technical support agencies including DARD, Department of Commerce and associated staff with a view to more efficient and effective market oriented planning within the context of the New Rural Development Strategy.
19. The Project would promote private sector engagement in the commodities being produced in the province. Companies willing to generate jobs for the rural population, add value, provide technology development or buyback produce would be given incentives to invest in the province. Enhancing the role of private sector would involve institutional, legislative and procedural reform; those areas of concern include: (i) administrative reform in investment environment and business procedures, especially those for business start-up and exit; (ii) the legal framework for areas such as

business registration and contract enforcement; and (iii) reform to attract more private investment to the rural sector. A rural sector PCI would be developed based on a simple set of indicators.

20. The Project would set up a virtual market where by market information for buyers and sellers of commodities, extension services and labour market information would be made available. Technical assistance, capacity building, and other investments necessary to implement identified reforms for the promotion of private sector agribusiness and supporting services would be provided.

Component 2: Enhancing Competitiveness and Technology Transfer

21. Component outcomes include: (i) appropriate services and technology development for increasing agriculture productivity and enhancing product quality provided to the rural poor, essential for their integration into value chains and their beneficial participation in markets (ii) participatory and pluralistic approaches developed for extension; and (iii) innovative group-based enterprise models and farmer-to-farmer networking developed.
22. At the provincial level, the capacity to carry out necessary technology development is not available. The GoVN has commenced the implementation of Decree 115 where AST institutions will become autonomous. MARD, in late 2007, will finalise the preparation of its major policy document detailing the renovation of the AST sector. Technology development can be carried out in partnership with the private sector, provided that the partnership is worked out. Specialised services could be provided by the private sector to support technology development for production and value addition within specific commodity or product chains. In order to mobilise private sector interest, the province will need to provide incentives for the promotion of R&D (e.g. tax breaks for putting private sector resources towards R&D) and ensure supply. Complementary resources in terms of land for demonstration sites and credit to farmers for replication would be provided through the Project. Once demonstrated a full scale effort for replication would be made using contract farming arrangements.
23. The project would support Provincial/ District Agriculture Extension Centres with training on participatory research/extension, value chain networking, storage and processing technology, marketing and product quality certification. At the commune level, project efforts would be made in promoting enterprise models through key farmers and groups, based on local experience and opportunities. A network of 'Rural Development Workers' would be established at the village level, based on identified key farmers having a broad knowledge of rural development subjects and training would be provided with an emphasis on participatory extension. The 'Rural Development Workers' would be paid by the cooperative or group that they are a member of.
24. Farmer/producer and agri-processing associations, farmers' cooperatives, and formal and informal groups at community level would be developed by the project where they do not already exist. These groups would be provided training and capacity building activities through mass organizations for better management capacities, particularly in terms of business management, marketing, and financial management. Special support would be provided to the poorest and vulnerable households. Cooperation among poor households is essential, as economy of scales in procurement of agriculture inputs, production, and sale of outputs represent important factors to establish linkages with enterprises and markets.
25. Province and District Extension Centres would promote and enforce contract-farming arrangements with private businesses to develop and expand market opportunities, introduce, demonstrate and transfer new and improved technologies and best business practices. Contract farming can be effective in providing assured prices to small and marginal farmers for their products and a means of integrating them into agricultural value chains. Commune level extensionists and village level 'Rural Development Workers' would link market infrastructure investments to new economic

opportunities and link households and groups to credit made available through AgriBank, Social Policy Bank, Women's Union, NTP-PR and others.

26. Project efforts would ensure integration of the activities of rural poor households with those of other value chain participants. The Project would promote and monitor contract-farming arrangements with private businesses to develop and expand market opportunities, introduce, demonstrate and transfer new and improved technologies and best business practices. Contract farming can be effective in providing assured prices to small and marginal farmers for their products and a means of integrating them into agricultural value chains. The Project will assist in establishing the conditions under which contract farming could be successful.
27. Project activities would support the development of food standards and safety assurance regimes which would contribute to enhancing the competitiveness of specific value chains. This would be linked to capacity building for farmers and would involve support of storage and processing to reduce losses and to extend the shelf life of aqua-related products. Farmers' group and associations would be trained in compliance with food safety and product quality standards.

Component 3: Job Skills Improvement and Remittances

28. A large number of people migrate to other parts of the country and outside in search of employment. These migrants usually have no skills and are not able to get better employment opportunities. Component outcomes include: (i) skills of wage labourers, landless farmers improved and being employed; (ii) rural employment created, and (iii) remittances mobilised.
29. The Project would carry out: (a) short-course outreach training by vocational training centres (VTCs) keyed to specific demand in the province for semi-skilled labour; and (b) training within enterprises linked to jobs in those enterprises. Programme investment would be focused on training for poor job seekers from programme communes, with preference for women. Project funding would include equipment for outreach training being the main focus. For training programmes run in partnership with enterprises, there would be an additional pre-requisite that the participating enterprises must commit to provide jobs to successful trainees. The enterprises would levy no down payment or participation fee, as is the current practice, which often bars poorer job seekers. The same eligibility criteria as above would be applied for participants.
30. The available mechanisms of remittance that efficiently pay out money to the intended recipients are limited. This is on account of the limited network of financial institutions in rural areas and the problems of the poor in accessing the branches of banks. A remittance service that could identify the recipient and make the payments in his home is likely to be a welcome development in the market and would improve demand for other financial services. The requirements for introducing a remittance product in Viet Nam are:
 - Selection of suitable NGO/MFIs that have a presence in both remittance origin and payment centre. (If they do not have a presence they should be willing to establish a presence)
 - Enrolment of people who have a remittance service requirement as a member and establish identification means of the remitter and the recipient family
 - Banking arrangements for the NGO for transfer of funds
 - Systems for collection of remittance funds from clients
 - setting up a system of secure and reliable communication from collection centres to payment centres within the NGO/MFI based on an electronic network
 - Systems for making payments to the recipients at their homes, through field staff.

Component 4: Market Infrastructure

31. Component outcomes include: (i) productive and sustainable market-enabling infrastructure; (ii) timely, adequate transfers to target households, allowing effective consumption smoothing and asset protection, and future-proof communities against disaster shocks.
32. Under the project, infrastructure would be defined only as those market-enabling and productive infrastructures that contribute positively to the market/business environment and impact the local economy. Investment in roads, bridges, irrigation, storage facilities and small-scale processing are likely have the highest priority to improve market accessibility.
33. The Project will pilot safety nets schemes to help reduce vulnerability of households and establish the conditions for them to engage in sustainable market linkages. Safety net include cash based transfers to targeted households (particularly the most vulnerable among them) for the implementation of community identified, labour intensive infrastructure/public works and environmental protection services. The Project would ensure the quality and environmental impact of productive safety net activities.

Component 4: Project Management

34. The project would establish a supporting Project Management Unit (PMU), whose primary task would essentially be value chain management particularly connecting the higher ends of the value chain (buyers) with producers. The PMU would be a small unit with responsibility for project financial and procurement management, information management and monitoring and evaluation. The PMU would also include 1-2 person teams of skilled professional staff responsible, respectively, for supporting the provincial departments.
35. **Agri-Business Development Facility:** An agribusiness development facility in DARD connected to Provincial Extension Centre would direct resources towards enhancing the competitiveness and value of rural poor households' products and test new instruments. These resources would provide through competitive grants for appropriate technologies.

VII. Issues on which further guidance is sought

36. IFAD seeks guidance on the following:
 - Shaping the development objectives
 - Allocation of IFAD resources;
 - Selection of districts and communes for inclusion in the project;
 - Most appropriate location of the provincial PMUs in pulling together the various project activities; to minimize overlap and ensure maximum national benefit;
 - Possible like-minded-donors who would be interested to co-finance;
 - Duration of the project.

VIII. Costs and Financing

37. The project is estimated to cost USD 18.5 million, including a USD 15 million IFAD loan, a USD 3 million government contribution delivered through and USD 0.5 million in beneficiary co-financing. Project costs by component are estimated as follows:

Component	Component Funding (USD million)			
	IFAD	GoVN	Beneficiary	Total
Agricultural Market Planning and Private Sector Promotion	2.0	0.0	0.0	2.0
Enhancing Competitiveness and Technology Transfer	4.0	1.0	0.0	5.0
Employment Generation and Job Skills	0.5	0.0	0.0	0.5
Market Infrastructure	7.5	1.0	0.5	8.5
Project Management	1.0	1.5		2.5
Total	15.0	3.0	0.5	18.5

IX. Organization and Management

38. At the Provincial level, a Provincial Project Steering Committee would be established under the PPC for oversight, guidance on policy issues and coordination between different line agencies. A PMU would be established for day-to-day management and operations, and implementation would be decentralized to the relevant level. At the District level, the DPC would implement project activities with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune level, the CPC would be the focal point to all project activities, with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune/village level and therefore, there should be a number of Rural Development Workers from cooperatives and rural collaborative groups to assist implementation.

39. While their engagement is difficult to forecast, it is foreseen that private sector stakeholders would be key in driving the value chain initiatives.

X. Monitoring and Evaluation Indicators

40. Key success indicators might include:

- At Goal (Impact) level:
 - (i) Improvement in RIMS household asset and malnutrition indicators;
 - (ii) Reduction in the prevalence of poor households below the poverty line in targeted areas and near poor households
- At Purpose level:
 - (iii) Total value in two strategically chosen value chains increases (in each intervention province)
 - (iv) Increased poor household income
 - (v) Increased number of rural poor employed in private agribusiness enterprises
 - (vi) Poverty gap index declines
- At Component level
 - (vii) All participating provinces and districts/communes adopt and implement market oriented agricultural development plans and strategies, including public-private partnerships;
 - (viii) At least 10 profitable technology packages developed through participatory action research;

- (ix) Provincial DARD's contract extension delivery and private sector service providers;
- (x) At least 30 per cent of farmers adopt technology package.

XI. Risks

41. Institutional risk is associated with the inability of provincial departments and institutions to adapt their procedures and programs to more market oriented approaches to agriculture and rural development. This risk would be addressed by (i) close participation of PPC and provincial departments and institutions in the project design process, including visits to provinces already implementing aspects of the proposed project; (ii) PPC approval of an agreed provincial agricultural market development plan a condition of related component implementation; (iii) increased dialogue between government agencies and project beneficiaries including stakeholder participation in the PCC; and (iv) capacity building of provincial staff through technical assistance and competency based training programs.

XII. Exit strategy

42. Exit strategies will be part of the project design and commence from project implementation. For the proposed IFAD interventions there are 3 main sustainability themes: provincial agribusiness – development of the enabling environment that encourages the private sector and investment; strengthening of provincial institutions (PPC, line agencies and at district and commune level) to plan and implement the project; and develop viable small businesses, value chains and profitable farming enterprises.
43. The project management method used has considerable impact on capacity development of the implementation agencies and sustainability. IFAD's embedded Project Management Unit (PMU) approach, where the project management team is integrated into the provincial implementing department, should continue to be developed. The provincial department is the implementing agency and the role of the IFAD project staff is to support the departmental staff to implement the project activities. The embedded approach is the final stage in the move to budget support and compliance with the Hanoi Core Statement and other donor agreements. Features of the approach should include the phased withdrawal of project management support. The process should be underpinned by development of strengthened systems, including project implementation guidelines.

Forestland Management for Diversification of the Upland Economy

I. Background

44. In Viet Nam, approximately 25 million rural people, most of them poor and ethnic minorities, are using forest resources to meet subsistence needs. Forest resources provide these rural poor households with reliable sources of energy and safety nets when they encounter economic shocks. However, natural forests are declining quickly because of over-exploitation. It is estimated that in the period 1976-1990, natural forest cover decreased on average 185 000 hectares per year (ADB, 2000). The dramatic decrease in forest cover has resulted primarily from industrial timber extraction, permanent conversion of forestlands to agriculture, shifting agriculture, forest fires, overgrazing, establishment of human settlements and the American war (Earth Watch 2005; ADB 2000).
45. Nevertheless, overall forest cover in Viet Nam has been increasing in recent years to a current level of 37.6 per cent while there has not been a corresponding increase in the quality of forest cover. Rich and medium stocked forests are now concentrated mainly on hilltop or steep slope areas that are unsuitable for other land uses. Likewise, the number and total area of forests under protected area status increased from 0.4 per cent of the total land area in 1992 to 7 per cent in 2005. Despite increases in the number and coverage of protected areas, the management of these areas is compromised by lack of proper institutions or management boards with low levels of funding and staff capacity (IUCN 2006).
46. In Viet Nam, forestry and land use change contribute 19.38 million tons of CO₂ equivalent and make up 18.7 per cent of the national emissions (Viet Nam Initial National Communication to the UNFCCC 2003). The Government of Viet Nam is taking various steps to address the degradation and loss of forests. More than 100,500 km² have been identified for reforestation while a further 27,000 km² of degraded forest have been allocated for regeneration. Also, a Forest Sector Support Programme (FSSP) has been established with the World Bank taking the lead in coordination. A draft National Forest Strategy up to 2010 is currently under compilation. In addition, according to the National Forestry Development Plan for the period 2001 -2010, in order to protect forests, the State has restricted the exploitation of timber in natural forests, and will gradually eliminate timber exploitation in natural forests all together (Forest Sector Manual - 2004). This trend clearly indicates the reform in the Government's forest policy and bodes well for capturing emerging UNFCCC financing opportunities associated with Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD).

II. Geographic Area and Target Group

47. The target group would comprise of forest dwellers and vulnerable farmers with limited pieces of land but that have access to forest resources including protected areas and large tracts of degraded forest. There would be a specific focus on ethnic minorities. Project efforts would ensure the integration of rural poor households with those of other value chain participants.

III. Justification and Rationale

48. The forested area in Viet Nam was estimated to be 181 500 km² (55 per cent of the total land area of 330 000 km²) in the late 1960s declining to 56 680 km² (17 per cent of total) in the late 1980s (Collins et al, 1991; De Koninck, 1999). The loss of two-thirds of its forest cover over this time period makes Viet Nam the most rapid case of deforestation among Southeast Asian countries (De Koninck, 1999).

49. Households and communities have currently little incentive to improve and expand the forest cover or engage in landscape improvement activities. Slow progress with forestry land allocation to land users (especially households) and secure property rights to the users of forests and forest land has been slow. This situation is impacting upon the livelihoods of the ethnic minorities as they are much more dependent upon forest lands than Kinh people (majority of the population). The 2004 VLHSS shows that only 24 per cent of ethnic minorities have forestry land. In the North West 42 per cent have access while in the North East 28 per cent of ethnic minorities have access to land. Customary land use allocation to members of rural communities can contribute to forest resource management, and assist poverty reduction in upland areas.
50. Poor integration between environment, land and forest management programs will continue to result in accelerated forest and forest land degradation. Institutional weaknesses including the lack of coordination between government departments at national and local levels, and weak capacity at all levels and lack of involvement of local communities in forest management will hamper the enforcement of national regulations necessary for the conservation of natural resources.

IV. Project Approach

51. The Programme approach for improving the livelihoods of the rural poor would be from various dimensions taking heed of emerging business opportunities. The approach would combine aspects of sustainable natural resource management, improving technology development and transfer through more participatory, efficient and effective extension services, micro-finance and the development of marketing linkages. IFAD support would also be provided for improving the policy environment for private sector engagement and payments for environmental services.
52. Given the extensive land degradation taking place in the uplands, promotion of agroforestry will enable the mitigation of soil erosion processes, ensure resilience of agricultural systems in the face of climate change affects, and will also enable the mobilisation of revenue flows from carbon sequestration. Carbon revenue in itself will not be able to finance a project in its entirety; it can only be an additional source of revenue (Global Mechanism 2008). Carbon revenue would help to improve the incentive framework for local communities to adopt SLM practices and to strengthen the financial sustainability of development initiatives post project completion.

V. Key Project Objectives

53. The proposed **development objective** of the Project would be to improve the incomes and reduce vulnerability of households, especially ethnic groups. The **purpose** of the Project is to demonstrate an environmentally sustainable, socially equitable and profitable rural development model based around forest resources targeting rural poor households.

VI. Components and Activities

Component 1: Promotion of Strategic Private Sector Investment

54. Component outcomes would include: (i) forestland allocation; (ii) improved business environment ready promoting engagement with the private sector; (iii) identification of strategic investments / sectors for private sector development; (iv) implementation of participatory and results-based business development plans at provincial, district and commune levels.
55. While recent improvements in the legislative framework by the government provide a foundation, a clear and consistent framework of policies, laws and regulations to create enabling conditions for sustainable forestland management is lacking. State Forest Enterprises (SFEs) with control over large areas of forest land, but limited risk capital, have generally concentrated on State funded protection forestry rather than developing their own commercial forest plantations. The Project would need to put

policies in place for forestland allocation to poor households and support private sector production plantations.

56. The Project would assist the province to prepare provincial market-based enterprise and investment development plans and promote private sector engagement, which would involve institutional, legislative and procedural reform. Areas of concern include: (i) forest land allocation; (ii) administrative reform in investment environment and business procedures, especially those for business start-up and exit; (iii) building the legal framework for areas such as business registration and contract enforcement; and (iv) reform to attract more private investment to the rural sector. Strategic sectors for the province would include: (i) agroforestry; (ii) agribusiness; and (iii) ecotourism.
- Promotion of agroforestry enterprises would result in the emergence of small and medium enterprises linked to ethnic communities and poor households to take advantage of the recent changes in forest policy (Decree 38 and Decree 147) that have reclassified forestry and emphasized the development of productive forestry. Timber production (e.g. *truc* bamboo, acacia) and wood processing could be undertaken by small and medium enterprises in association with smallholders and communities.
 - Promotion of agribusiness activities would include the development of a livestock industry primarily based on improved cattle and pig production. This could be facilitated by the promotion of a feed industry sourcing raw materials from the local production of maize and soybeans. This could lead to a boost to livestock and feed production in the Northern Mountains.
 - Promotion of ecotourism would lead to the emergence of service industry (food and lodging, tour operators and guides, entertainment, cultural shows, handicrafts) with a key role played by small and medium enterprises and local communities.
57. The Project would assist the relevant provincial departments to access necessary technical assistance, capacity building, information and communication technology and other investments necessary to implement identified reforms.
- Technical assistance to the authorities at provincial and district/commune levels to prepare, implement and monitor targeted, participatory market development plans and carry out periodic market assessments identifying local comparative advantage. Support would be provided for more participatory commune development planning to assess needs and priorities.
 - Capacity would be built of local government and line agencies including Department of Planning and Investment (DPI), Department of Agriculture and Rural Development (DARD), Department of Sport and Tourism, Department of Commerce and associated staff with a view to market oriented planning, promotion of private sector agroforestry/agribusiness/ecotourism and supporting services and more efficient and effective implementation of agricultural production.
 - Communication technology and other investments need to make trade in local markets more structured.

Component 2: Enhanced Agricultural Productivity and Agroforestry Practices

58. Component outcomes include: (i) appropriate services and technology for improved agriculture productivity and agroforestry practices that could be adopted by the rural poor and are essential for their integration into value chains and their beneficial participation in markets (ii) participatory and pluralistic approaches developed to extension taking into account the specificities of upland agriculture and food insecure households; (iii) innovative group-based enterprise models involving agroforestry enterprises and agribusiness (e.g. feed enterprises) working with farmer groups and communities; and (iv) establishment of profitable and sustainable arrangements between poor farmers, communities, and business enterprises, e.g. contract farming.

59. Technology development would include: (i) enhanced sustainable food crop productivity in upland areas and sloping hills; (ii) forage production and storage for enhanced cattle nutrition; (iii) agroforestry products (chuc bamboo, acacia); (iv) high value products (altitude tea, cinnamon, fruit trees, spices, ginger, essential oil plants); and (v) certified organic vegetable production. Complementary resources in terms of land for demonstration sites and credit to farmers for replication would be provided through the Project. Specialized services would need to be provided by the private sector to support value addition within specific commodity or product chains. Once demonstrated a full scale effort for replication would be made.
60. The project would support Provincial/ District Agriculture Extension Centers and mass organisations with training on participatory research/extension, value chain networking, storage and processing technology, and product quality certification. At the commune level, efforts would be made in promoting enterprise models through key farmers and groups, based on local experience and opportunities. Technical support providers would include the Thai Nguyen University and the regional research centers. A network of 'Rural Development Workers' would be established at the village level, based on identified key farmers having a broad knowledge of rural development subjects and training would be provided with an emphasis on participatory extension. The 'Rural Development Workers' would be paid by the cooperative or group that they are a member of.
61. Farmer/producer formal and informal groups at community level would be strengthened where they exist and developed by the project where they do not already exist. These groups would be provided training and capacity building activities through mass organizations for better management capacities, particularly in terms of business management, marketing, and financial management. Special support would be provided to the poorest and vulnerable households in terms of value chain networking, production and postharvest technologies, and marketing. Cooperation among poor households is essential, as economy of scales in procurement of agriculture inputs, production, and sale of outputs represent important factors to establish linkages with enterprises and markets.

Component 3: Development of Market Linkages

62. Component outcomes include: (i) improved market information of provincial agencies, communities and households; (ii) access to microfinance and piloting micro-insurance schemes; (iii) productive market-enabling infrastructure built and maintained.
63. Commune level extensionists and village level 'Rural Development Workers' would ensure that linkages would be made between enhanced agricultural productivity and agroforestry practices with the activities of Component 3, market information, credit and micro insurance made available through AgriBank, Social Policy Bank, Women's Union, NTP-PR and others and market infrastructure investments. The Project would support the gathering and dissemination of market information about strategic investment sectors for the province. Improved communication facilities at the province and district level would facilitate the obtaining of information on prices, buyers and markets, and trends that will be disseminated at the commune and village level.
64. In the view of district and commune leaders, access to microfinance has been one of the most effective ways to reduce poverty over the recent past. Strengthening group lending, savings and credit revolving funds could be effective means to ensure a growing capacity of self-sufficient farmers to acquire the skills to manage money and engage in productive investment or smoothing consumption. Presently the PCFs are designed to be small and do not have sustainable access to resources to finance their expansion potential. The systems, products and client acquisition procedures need a revamp if these institutions are to emerge as credible competitors. Some amendments to the law on credit cooperatives would be necessary if their envisaged growth is to be sustainable.

65. Piloting microinsurance schemes (linked to microfinance schemes) could be an innovative provincial response to vulnerability. The need is to bring in intermediaries between the insurance companies and the rural communities that could bundle the risks, enable that the insurance companies to deal with several small risks in one lot so that transaction costs are kept at a minimum and help the insurance company in understanding the rural market for design of appropriate products and facilitate in claims processing. Mass organisations, NGOs, MFIs and PCFs may be well suited for this role where they become agents of the insurance company and also represent the local community's interests. The subject of insurance could be life, health, productive assets – especially those banks financed and risks such as weather, natural calamities etc.
66. Under the Project market-enabling infrastructure would consist of those facilities that contribute positively to the market/business environment and impact the local economy. Investment in roads, small scale irrigation, field and hill slopes layout, lines connecting to electricity grid, micro hydroelectric generation plants, and storage facilities are likely to have the highest priority.
67. The Project will pilot safety nets schemes to help reduce vulnerability of households and establish the conditions for them to engage in sustainable market linkages. Safety net include cash based transfers to targeted households (particularly the most vulnerable among them) for the implementation of community identified, labour intensive infrastructure/public works and environmental protection services. The Project would ensure the quality and environmental impact of productive safety net activities.

Component 4: Payment for Environmental Services

68. Component outcomes include: (i) upland communities benefiting from forestland allocation; (ii) increased area of forest cover; (ii) sustainable mechanisms developed and plan of action being implemented for payments for environmental services to upland communities.
69. The proposed intervention will address natural resource management issues (land degradation, deforestation, biodiversity loss, carbon emissions, unsustainable use of resources), exploring at the same time innovative mechanisms for their perdurable use (payment for environmental services and forest certification), and supporting national efforts to reform the forest sector (policies on forestland allocation and forest development and protection and community involvement). Carbon financing schemes as part of clean development mechanism (CDM) or non-Kyoto mechanisms such as Voluntary Emission Reduction (VER) schemes could be piloted in the provinces. Carbon financing schemes involving reforestation of protected forests in remote areas would require innovative approaches (including using project funds to add to the current insufficient funds of Government programs to improve protected forest) that improve upon the current weak motivations offered by Program 661.
70. Activities to be promoted would include avoiding deforestation and mitigating forest degradation and protecting forests as a valuable carbon sink tradable under the Kyoto Protocol. Reducing Emissions from Avoided Deforestation and Forest Degradation in Developing Countries (REDD) is now a tradable commodity under the Kyoto mechanism as a decision was taken in the UNFCCC CoP -13 / MoP – 3 held in Bali during December 2007. REDD has the potential to augment additional resources through non-Kyoto mechanisms such as The Global Forest Partnership. However, institutional support and capacity building are vital for Viet Nam to carry forward carbon trading through both Kyoto and non-Kyoto markets.
71. Landscape improvements could occur if closely linked to an effective plan for ecotourism development in the region. The extreme high potential of the province for ecotourism development depends on maintaining and improving its current exceptional landscape and rich biodiversity. This suggests that the maintenance and improvement of the landscape and biodiversity could be linked to paid environmental

services. The services could be provided by communities and paid by tourists (e.g. a portion of the entrance fees of tourists in protected areas) and tourist companies (e.g. a part of their license fees).

Component 5: Project Management

72. The project would establish a supporting Project Management Unit (PMU), whose primary task would essentially be value chain management particularly connecting the higher ends of the value chain (buyers) with producers. The project would establish a supporting Project Management Unit (PMU) for day-to-day management and operations, and implementation would be decentralized to the relevant level. The PMU would be a small unit with responsibility for project financial and procurement management, information management and project monitoring and evaluation. The PMU would also include 1- skilled professional staff who would be supporting the provincial departments responsible for formulating and implementing the business investment plans in strategic sectors, facilitated market linkages, competitive market grants, participatory action research and extension programs. The Project would be required to prepare provincial agriculture market plans, which would be approved by the Provincial People's Committee (PPC).
73. **Agri-Business Development Facility:** An agribusiness (including agroforestry) development facility in the DARD connected to Provincial Extension Centre and regional research institutions would direct resources towards enhancing the competitiveness and value of rural poor households' products and test new instrument. These resources would be provided through competitive grants for appropriate technologies.
74. At the District level, the DPC would implement project activities with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune level, the CPC would be the focal point to all project activities, with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune/village level and therefore, there should be a number of Rural Development Workers from cooperatives and rural collaborative groups to assist implementation.
75. While their engagement is difficult to forecast, it is foreseen that private sector stakeholders would be key in driving the value chain initiatives.

VII. Issues on which the team seeks guidance

76. IFAD seeks guidance on the following:
- Shaping the development objectives
 - Allocation of IFAD resources;
 - Selection of districts and communes for inclusion in the project;
 - Most appropriate location of the provincial PMUs in pulling together the various project activities; to minimize overlap and ensure maximum national benefit;
 - Possible like-minded-donors who would be interested to co-finance;
 - Duration of the project.

VIII. Costs and Financing

77. The project is estimated to cost USD 18.5 million, including a IFAD loan of USD 15 million, a government contribution of USD 3 million delivered through and USD 0.5 million in beneficiary co-financing. Project costs by component are estimated as follows:

Component	Component Funding (USD million)			Total
	IFAD	GoVN	Beneficiary	
Promotion of Strategic Investment	2.0	0.5	0.0	2.5
Enhancing Agricultural Productivity and Agroforestry Practices	3.0	1.0	0.0	4.0
Development of Market Linkages	8.0	0.0	0.5	8.5
Payment for Environmental Services	1.0	0.0	0.0	1.0
Project Management	1.0	1.5	0.0	2.5
Total	15.0	3.0	0.5	18.5

IX. Organization and Management

78. At the Provincial level, a Provincial Project Steering Committee would be established under the PPC for oversight, guidance on policy issues and coordination between different line agencies. A PMU would be established for day-to-day management and operations, and implementation would be decentralized to the relevant level. At the District level, the DPC would implement project activities with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune level, the CPC would be the focal point to all project activities, with particular involvement of the agricultural extension worker, accountant and infrastructure coordinator. At the commune/village level and therefore, there should be a number of Rural Development Workers from cooperatives and rural collaborative groups to assist implementation.
79. While their engagement is difficult to forecast, it is foreseen that private sector stakeholders would be key in driving the value chain initiatives.

X. Monitoring and Evaluation Indicators

80. Key success indicators might include:

- At Goal (Impact) level:
 - (i) Improvement in RIMS household asset and malnutrition indicators;
 - (ii) Reduction in the prevalence of poor households below the poverty line in targeted areas and near poor households
- At Purpose level:
 - (iii) Increased forest coverage
 - (iv) Land degradation decreases
 - (v) Biodiversity is maintained
- At Component level
 - (vi) Forestland allocated to households
 - (vii) Administrative reform in investment environment and business procedures, especially those for business start-up and exit;
 - (viii) Framework for areas such as business registration and contract enforcement;
 - (ix) Reform to attract more private investment to the rural sector
 - (x) Sustainable mechanisms developed and plan of action being implemented for payments for environmental services to upland communities.
 - (xi) Participatory and pluralistic approaches developed to extension taking into account the specificities of upland agriculture and food insecure households;

- (xii) Innovative group-based enterprise models involving agroforestry enterprises and agribusiness (e.g. feed enterprises) working with farmer groups and communities;
- (xiii) Establishment of profitable and sustainable arrangements between poor farmers, communities, and business enterprises, e.g. contract farming.

XI. Risks

81. Institutional risk is associated with the inability of provincial departments and institutions to adapt their procedures and programs to more market oriented approaches to agriculture and rural development. This risk would be addressed by (i) close participation of PPC and provincial departments and institutions in the project design process, including visits to provinces already implementing aspects of the proposed project; (ii) PPC approval of an agreed provincial agricultural market development plan a condition of related component implementation; (iii) increased dialogue between government agencies and project beneficiaries including stakeholder participation in the PCC; and (iv) capacity building of provincial staff through technical assistance and competency based training programs.

XII. XII. Exit strategy

82. Exit strategies will be part of the project design and commence from project implementation. For the proposed IFAD interventions there are 3 main sustainability themes: provincial agribusiness – development of the enabling environment that encourages the private sector and investment; strengthening of provincial institutions (PPC, line agencies and at district and commune level) to plan and implement the project; and develop viable small businesses, value chains and profitable farming enterprises.
83. The project management method used has considerable impact on capacity development of the implementation agencies and sustainability. IFAD's embedded Project Management Unit (PMU) approach, where the project management team is integrated into the provincial implementing department, should continue to be developed. The provincial department is the implementing agency and the role of the IFAD project staff is to support the departmental staff to implement the project activities. The embedded approach is the final stage in the move to budget support and compliance with the Hanoi Core Statement and other donor agreements. Features of the approach should include the phased withdrawal of project management support. The process should be underpinned by development of strengthened systems, including project implementation guidelines.

Key file 1: Rural poverty and agricultural/rural sector issues

Priority areas	Affected group	Major issues	Actions needed
Moderate (23%) malnutrition, especially among children and women	Children and women in rural areas of all ethnic groups and lowland people.	<ul style="list-style-type: none"> Lack of knowledge on nutrition among rural women Limited or no access to land for the production of the staple crops (rice, cassava, sweet potato) and common and simple-to-grow fruit trees such as banana, lemon, pineapple. 	<ul style="list-style-type: none"> Nutrition and health education for women and men. Encourage them to grow banana, lemon, pineapple around their houses, in home gardens. Develop income-earning potential for poor households through literacy, vocational training and small credit disbursement to women and men. Set up of a Disaster Preparedness Fund.
Rural unemployment	Young men and women in rural areas. Some ethnic minorities; lowland people of extremely poor origin	<ul style="list-style-type: none"> Lack of skills; unavailable job opportunities Landlessness; Lack of diversification of agriculture. Non existence of value added for local primary products. 	<ul style="list-style-type: none"> Improve vocational training system in the country by establishing, or improving the competence of, low cost vocational schools in each province to provide opportunities for rural youth to learn. Create infrastructure construction jobs to absorb rural youth; Create rural industries, handicraft production, sustainable farming systems linked to markets. Attract and promote private investment in rural areas
Poor rural infrastructure	Most farmers, particularly in upland areas; business groups; other stakeholders concerned for rural development.	<ul style="list-style-type: none"> Transport system: dirt roads, temporary (monkey) bridges, or lack of bridges. Limited electricity at the village level Telephone service not available in remote areas Squatting market places. Limited clean water. Limited irrigation and drainage (I/D) system, especially for farmers in saline areas and in the uplands. 	<ul style="list-style-type: none"> Invest in local transport infrastructure; avoid requiring free labour contribution from the poor rural people. Provide facilities to bring electric lines to rural areas. Establish telephone service to reach remote areas; particularly wireless mobile phone system Provide facilities for clean water, such as deep well. Improving the I/D system by dredging the existing canals; only create new system when good water source available, otherwise introduce appropriate rain-harvesting technologies; negotiate with different stakeholders (farmer's associations, cooperatives) a shared vision for the equitable and sustainable development of the existing system –possibly by forming water users' groups; negotiate modalities for cost recovery, introduction of cash crops in order to sustain O&M, diversify and increase farming incomes.
Problematic livestock production	Poultry farmers and livestock owners in rural areas.	<ul style="list-style-type: none"> Contagious diseases affecting livestock: avian flu, foot and mouth, pig's blue ears. Farmer's resistance towards animal vaccination. 	<ul style="list-style-type: none"> Establish an effective livestock extension service and integrate into the existing extension system. Enforce livestock vaccination scheme.

		<ul style="list-style-type: none"> Farmer's frequent violation of safety measures for livestock. 	<ul style="list-style-type: none"> Loans to help households re-stock.
Problematic aquaculture production	<p>Catfish producers in the Mekong Delta.</p> <p>Many shrimp producers in the coastal areas of Viet Nam.</p>	<ul style="list-style-type: none"> Contagious fish diseases spreading due to inappropriate water management, leading to overuse of antibiotics. Shrimp diseases spreading due to inappropriate water management, leading to overuse of antibiotics. 	<ul style="list-style-type: none"> Strictly require all producers to stick to regulations concerning sustainable fish and shrimp culture. Provide scientific water management schemes for aquaculture production to replace existing unscientific, unorganized production practices.
Low productivity and unsustainable use of forestry resources	Upland communities	<ul style="list-style-type: none"> Swidden agriculture, leading to deforestation and land degradation Limited use of productive forestry Low rate of forest allocation to households particularly in the Central Highlands 	<ul style="list-style-type: none"> Accelerate forest land allocation to households and communities Promote agroforestry through linkages of communities with agroforestry enterprises including SME Accelerate programme for disseminating sustainable practices in upland areas combining agriculture, productive use of forestry, and conservation
Vulnerability to natural disasters	Farmers in flood-prone areas (e.g. Mekong Delta), cyclone areas (e.g. Central Coast), and drought areas (e.g. Central Highlands and Northern Mountains)	<ul style="list-style-type: none"> Poor households forced to sell productive assets (livestock, land) to cope with distress Lack of insurance schemes to protect from disease, death in the family, accidents, and loss/damage of productive assets (livestock, irrigation systems) 	<ul style="list-style-type: none"> Improve early warning system and preparedness to natural disasters Productive safety nets Promote microinsurance schemes
Low value added of agriculture	Most farmers	<ul style="list-style-type: none"> Difficulty in diversifying towards high-value commodities Low-quality of products Little postharvest and processing at the village level Little negotiation power of farmers 	<ul style="list-style-type: none"> Promote farmer organizations better able to organize production, procure inputs, engage in postharvest activities (storage, packaging, grading, labelling), and market products Promote contract farming with agribusiness enterprises Disseminate market information and ensure agricultural extension improves linkages of farmers to markets Make finance available for multi-year commodity systems (e.g. perennial crops, livestock, essential oils) Support integration of farmer groups with value chains
Moderate illiteracy rates	Among older women and men of all groups; ethnic youth.	<ul style="list-style-type: none"> Lack of access to education and illiteracy, particularly among women. Illiteracy persists as rural households did not take formal education; although children education is free, but schools impose many fees beyond parents' capacity; and high involvement of girls and boys in domestic and agricultural tasks. 	<ul style="list-style-type: none"> Step up illiteracy eradication campaign. Mobilizing students on vacation to teach farmers and their children. Alternative community and state financing for the poorest households to be able to send their children to schools. Integrate educational level as one of the requirements to obtain social/civil services (such as obtaining driving license, rural business license...).

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)

Organization	Strengths	Weaknesses	Opportunities/Threats
Enablers			
<p>Ministry of Planning and Investment (MPI)</p> <p>Department of Planning and Investment (DPI) in provinces</p>	<p>This Ministry is the authority for coordinating ODA and local resources in socio-economic development planning.</p> <p>Responsible agency for investment promotion and private sector development at the Central level and the provincial levels.</p> <p>Strong decentralized organizational structure from central to province, district levels in terms of planning and integration of different resources.</p> <p>Qualified staff and high commitment to international cooperation.</p> <p>Working partnership between central and provincial agencies.</p>	<p>Weak mechanism to ensure harmonization of ODA and government budget.</p> <p>Weak coordination of different development programmes, government and donor.</p> <p>Current planning schedule does not allow time to apply bottom-up planning even when capacities have been generated through donor-supported initiatives.</p> <p>Insufficient capacity in monitoring of project implementation after their approval.</p>	<p>The Ministry has decided to change local planning processes towards participation and market-based approaches. Three provinces have been selected to implement the pilot innovative planning mechanism. IFAD has opportunities to institutionalize the participatory market-based planning approach.</p> <p>Creation of a dedicated Country Programme Management Team (CPMT) with the MPI playing the coordination role will mobilize Government agencies for implementation support of IFAD activities.</p> <p>Through better cooperation with MPI and DPI in the province, IFAD projects and activities can be better integrated into Government led rural development projects and programs, in particular Program 135.</p> <p>MPI has launched a unified Quality Management System and a Roadmap for harmonization of procedures for all ODA projects. CPMT under MPI leadership can assist IFAD in making more effective the project M&E systems and harmonization of management procedures.</p>
<p>Ministry of Finance (MOF) including the State Treasury System</p>	<p>This Ministry represents Viet Nam in IFAD's Governing Council and representative of the Borrower. This Ministry also manages financial flows from IFAD to all projects.</p> <p>Responsible for financial management norms for the province, district and commune levels.</p> <p>Qualified and experienced staff in financial management and international cooperation.</p> <p>Consolidated procedures and cost norms available</p>	<p>Slow revision of cost norms to keep pace with inflation and rising prices makes project staff less motivated due to low salaries with little travel allowance,</p> <p>IFAD activities in remote areas cannot access qualified to service providers due to low incentives set.</p> <p>Given the complicated procedures of the Treasury for withdrawal of funds on top of the low capacity of accountants at the commune level project</p>	<p>Through better communication and engagement in the Country Programme Management Team (CPMT), MOF can accelerate resource circulation, improve financial management capacities and update norms for IFAD activities.</p> <p>Cooperation with MOF and the State Bank, to review all the microfinance models under IFAD projects in the past and identify the best practices for replication or modification.</p> <p>Harmonization between Government and IFAD</p>

Organization	Strengths	Weaknesses	Opportunities/Threats
	<p>for management of ODA project activities</p> <p>District Treasury Units are well established to hold accounts of Commune People's Committees, who are the decentralized owners of IFAD project resources.</p>	<p>activities have been delayed.</p> <p>Lack of initiative in solving problems of delayed availability of IFAD funds, for example, the Province Treasury does not pre-finance prefinance activities for IFAD projects.</p>	<p>procedures will reduce work burden in financial management for both MOF and IFAD</p> <p>Innovative experiments of financial services such as the Equity Fund, Guarantee Fund under IFAD projects should be assessed and considered for replication.</p>
<p>Ministry of Agriculture and Rural Development (MARD-DARDs in provinces)</p>	<p>Mandated for agriculture and rural development, MARD is a strategic partner of IFAD for formulation, implementation and monitoring/evaluation of the IFAD programme in Viet Nam.</p> <p>As the agriculture and rural development policy and decision maker, MARD has capacities in policy and technology development and research as well as services including extension, plant protection and veterinary.</p> <p>Managing nearly 200 projects funded by different donors and partners MARD has an important role in the coordination among Government and donors.</p> <p>The International Support Group (ISG) under MARD is the most substantive policy dialogue and partnership for agriculture and rural development in Viet Nam.</p>	<p>Unclear roles of MARD in linking farmers with markets and establishing institutions to enable the development of value chains.</p> <p>Established mandate of the extension system is to provide top-down technology transfer for increasing production. Currently, the provision of marketing and business development services is lacking.</p> <p>Limited qualification and expertise of MARD staff, especially at the district and commune levels, in market linkages and business/private sector partnership promotion.</p> <p>Dominant mindset of giving subsidies to farmers. Limited understanding among extension staff of their role in facilitation of farmer's access to private resources and business ideas.</p> <p>Quality of the agriculture development plans of upland provinces rely more on subsidized support from the Government rather than on commercialization through private investment development.</p> <p>Role of facilitating the growth of private sector not clear and lack of decentralized and pluralistic extension delivery.</p>	<p>MARD is a major partner for IFAD, knowledge management and policy development at the national level by the IFAD-supported innovative experiences generated at the local levels.</p> <p>Opportunities have been identified by the COSOP formulation workshop with think tanks, agencies and research institutes under MARD.</p> <p>IFAD would cooperate with MARD and DARDs in provinces to strengthen the commune/village-based extension network in providing marketing and business development services.</p> <p>To implement Decree No. 56, IFAD would cooperate with DARDs in provinces to develop extension workers to become facilitators of the private sector and more demand driven service delivery.</p> <p>The Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), the Institutes under Agriculture Science and Technology Academy, the Northern Upland Agriculture and Forestry Institute, the Thai Nguyen Agriculture University, etc. have committed to be long-term partners with IFAD to provide technical assistance and human resources for policy and capacity building activities under IFAD projects.</p> <p>The central agencies/institutes would cooperate with IFAD project stakeholders to upscale innovative practices and institutionalize the market-based approach in national policies and programmes.</p>
<p>Department for Ethnic Minorities (CEMMA)</p>	<p>Mandated for ethnic issues, mountainous and rural development, CEMMA is the Coordinator of Programme 135, which has generated substantive</p>	<p>As a political committee CEMMA needs technical expertise from line agencies to implement the Programme 135 and other poverty reduction</p>	<p>There are great opportunities for IFAD to integrate and harmonize IFAD-funded projects in the provinces with Programme 135, so that</p>

Organization	Strengths	Weaknesses	Opportunities/Threats
	<p>resources and implementation experience for poverty reduction in mountainous areas.</p> <p>As the special Government Committee on ethnic issues, CEMMA has advantages of its position to advocate for changes in the policies and programmes to develop mountainous areas.</p>	<p>initiatives.</p> <p>Lack of qualified staff and expertise in integrated rural development approach to function as the rural development coordinator.</p> <p>Top-down subsidies and welfare centred approach.</p>	<p>the methodologies introduced by IFAD could be replicated under the national programme.</p>
Provincial People's Committee (PPC)	<p>Mandated to coordinate all rural development activities from national/provincial and donor sources, PPC is the major counterpart to IFAD programme/projects and the executive body to ensure IFAD activities are in line with Government policies and the local SEDP.</p> <p>The PPC leads the IFAD Project Steering Committee and is responsible for overall planning, development, coordination and implementation of IFAD projects.</p> <p>PPCs in IFAD supported provinces have made considerable efforts in issuing decisions and guidelines to enable innovative models, for example the regulations related to participation and decentralization initiatives over the past COSOP.</p> <p>PPCs have demonstrated strong commitment to enable the IFAD-supported initiatives in the new COSOP promoting market-based poverty reduction approach.</p>	<p>In poorer provinces, PPCs are highly dependent on central government for development resources and this limits local independence of actions and initiatives.</p> <p>Weak capacity for coordination and integration of donor assisted projects with the Government programmes and projects.</p> <p>Lack of qualified and experienced staffs to assist the PPC leaders who are overburdened with leadership responsibilities.</p> <p>Prioritization of political agenda over economic agenda with regards to the usage of funds.</p> <p>Less flexible local administration due to high reliance on central procedures.</p>	<p>Emerging opportunities for IFAD to assist PPCs in realization of new rural development and poverty reduction policies based on markets linkages and private sector partnership as Viet Nam has joined WTO</p> <p>Strong decentralization of power in decision making to the PPCs. PPC's commitment to further decentralization and capacity building at lower levels like districts and communes.</p> <p>Opportunity for IFAD to assist the PPCs in improving coordination and integration between various sources of development funding.</p>
District People's Committees	<p>Key role in planning, financing and implementing investments at district level.</p> <p>Close working partnership with provincial agencies and commune authorities.</p>	<p>Highly dominated by the supply-driven planning</p> <p>Part-time staff availability for project work.</p> <p>Overall staff capacity and qualifications still limited, especially for participatory rural development.</p> <p>Limited independence of action and local initiative</p> <p>Frequent staff transfers.</p> <p>Insufficient logistics.</p>	<p>Provision of full time project staff is possible.</p> <p>Focal point of provincial and district partners in project implementation.</p> <p>Opportunity for further market demand-driven capacity development for effective technical support to commune level.</p>
Commune People's	Mandated government institution for planning and	Limited ability to handle finances.	Opportunity to develop CPC financial and

Organization	Strengths	Weaknesses	Opportunities/Threats
Committees	<p>coordination at commune level.</p> <p>Grassroots democracy decree established in communes</p> <p>Some communes under previous projects received training courses on participatory planning and market approach</p> <p>Increasing roles of mass organizations such as the Women's Union in delivery of microfinance.</p> <p>Improved technical capacity to oversee infrastructure works.</p>	<p>Participatory planning capacity .still weak</p> <p>Little self-confidence and pro-active approach due to decades of top-down development delivery.</p>	<p>administrative capacities to become an effective implementer of Grass Roots Democracy decree and effectively translate beneficiaries' preferences into action.</p> <p>Continuing need for capacity building of CPC level for better implementation.</p>
Village	<p>Main foci of planning and implementation involving the target group.</p> <p>Important for local planning needs identification and implementation of village public works.</p> <p>Closest to the target group and is the entry point for providing information.</p>	<p>Village is not a formal level of administration in Viet Nam's administrative system.</p> <p>Village heads and mass organization staff have limited literacy levels and understanding.</p> <p>Many villages are very small and are widely dispersed</p> <p>A number of target villages inhabited by different ethnic groups resulting in linguistic difficulties and lack of cultural cohesion.</p>	<p>Opportunity to create formal grassroots institutions capable of articulating local needs and participating in village level development.</p> <p>Only place where poor can participate directly in the decision-making affecting their lives.</p> <p>Opportunity to develop and improve village level skills and capacities.</p> <p>Possible lack of political will at provincial and district level to afford effective say to the village level institutions</p>
Service Providers			
Viet Nam Bank for Agriculture and Rural Development	<p>Mandated micro-finance activities targeted at the rural population with priorities to the poor but with market-based interest rates.</p> <p>Reasonably good liquidity position to meet local micro-finance needs.</p> <p>Expanding branch network and services down to the commune level.</p> <p>VBARD has used model of partnership with mass organization for individual loans delivery but through interactions of group members.</p>	<p>High transaction costs as individual lending methodology is main and group lending not mainstreamed.</p> <p>Lending procedures still not geared to give access to medium and long term loans.</p>	<p>Can be helped to improve the orientation and approach to micro-finance and group lending.</p> <p>Limited outreach in mountainous and remote areas, weak network compared to VBSP in difficult areas.</p> <p>Ongoing policy dialogue with bank management to provide better finance access for SMEs and business groups.</p>
Mass organizations (Farmers' Associations, Women's Union, Youth Union) at the central,	Well structured organization from the central level to villages.	In principle they are organizations with political mandates therefore they have met many difficulties in delivering economic development	IFAD could continue to develop cooperation with Women's Union in delivery of microfinance service through the Women's Saving and Credit

Organization	Strengths	Weaknesses	Opportunities/Threats
<p>province, district and commune levels and the other Non-Government Organizations.</p>	<p>As representative bodies of social classes, mass organizations have advantages in providing feedback and comments on state policies and activities</p> <p>Mandated to mobilize social support for implementation of the national policies and programmes, the mass organizations have a substantive number of staffs at the grassroots level</p> <p>Under market reforms, mass organizations have been mobilized to deliver public services such as legal assistance, microfinance delivery and social welfare activities. They have accumulated experience in development of community capacities and promotion of grassroots democracy.</p>	<p>services.</p> <p>Lack of understanding on civil society concepts and skills for social mobilization in addition to professional areas.</p> <p>Markets-based approach is new area for mass organizations</p>	<p>Groups</p> <p>Common interest group, rural collaborative group and association development is an ideal objective for possible cooperation with the Farmer's Union</p> <p>Mass organizations are very good partners to deliver the public awareness programme on markets and business opportunities</p> <p>Opportunity to improve the role of mass organizations for strengthening the "Voices of the Poor" under their mandate to provide social feedback to decision makers.</p>

Key file 3: Complementary donor initiative/partnership potential

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
World Bank	<ul style="list-style-type: none"> Improving the Business Environment Strengthening Social Inclusion Strengthening Natural Resources and Environmental Management Improving Governance 	<ul style="list-style-type: none"> 2007 – 2011 	<ul style="list-style-type: none"> Innovation: Based on continued dialogue with the WB country office, linking innovations emanating from IFAD projects to the applied research department in the WB, may ensure that there is learning from the innovations and to ensure that the methodology can be captured in a systematic way. Programme 135 Phase II (P135-II): While the production support component through MARD continues to present challenges for successful implementation of P135-II, IFAD will use its grant resources around pilot provinces that are implementing the component in a market oriented and socially inclusive manner. Rural finance: As the guidelines for Decree 28 have been issued recently on the establishment of microfinance institutions, there is a possibility of creating sustainable institutions in that rural space and guiding them as credible MFIs. As WB would be developing a Rural Finance Project – III, IFAD should link microfinance experience to the larger policy framework discussions. Climate Change: An area that both WB and IFAD would like to see brought forward in consultation with the Government and other development partners.
Asian Development Bank	<ul style="list-style-type: none"> Pro-poor Business-led Economic Growth Social Equity and Balanced Development Environmental Protection and Management 	<ul style="list-style-type: none"> 2007-2010 	<ul style="list-style-type: none"> Geographic area: In the Country Operations Business plan (2008 – 2010), ADB has identified 'Transport Connections in Northern Mountainous Provinces', which will be prepared in 2008 and develop road connections from Hanoi to China border. In this context, seek complementarities with IFAD initiatives to promote market oriented planning and pro-poor options for livelihoods improvement with the improved connectivity that the small holder farmers would have. Complementarities would be pursued with ADB to this effect Making Markets Work Effectively for the Poor (M4P): M4P, which is financed by ADB and DFID, is a active partner for IFAD in the implementation of the ongoing country programme, documenting and providing a learning platform upon which the 'Programme for Improving Market Participation for the Poor' in Ha Tinh and Tra Vinh provinces, which were designed around M4P ideas and then more recently from Cao Bang and Ben Tre provinces for the new 'Developing Business with the Rural Poor Programme'. M4P- II would also have a challenge fund that can partner with private initiatives to create a social and economic impact in the concerned provinces. Quality and Safety Enhancement of Agriculture Products: ADB has recently designed and approved this Project, which will provide an anchor for some of the food safety related activities that IFAD would be implementing in the IFAD supported Project provinces.
Japan (JICA/JBIC)	<p>JBIC</p> <ul style="list-style-type: none"> Assistance to Economic Infrastructure to Sustain Economic Growth and to Strengthen International Competitiveness Support for Poverty Reduction; 	<ul style="list-style-type: none"> 2004 – under discussion (JICA) 	<ul style="list-style-type: none"> Transport corridors: JBIC projects tend to be medium to larger scale infrastructure projects, where there is possibility; complementary agricultural and livelihoods improvement investments could be made by IFAD. More detailed planning would need to take place. Promotion of Growth and Competitiveness: JICA efforts are made in strengthening human resource and institution building by transferring technology

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
	<ul style="list-style-type: none"> • Contribution to Environmental Conservation and Management; • Assistance to Human Resources Development. <p>JICA</p> <ul style="list-style-type: none"> • Promotion of Growth and Competitiveness; • Livelihood Improvement and Narrowing Disparities; • Environment Protection; • Governance Strengthening. 		<p>and knowledge. Particularly in the context of rural transformation and development, it would be excellent if possibilities for technical cooperation partnership with JICA could be developed.</p> <ul style="list-style-type: none"> • Geographical focus: Development Studies (DS) are conducted to formulate development plans at the national or regional level in various social and economic fields. If the geographic focus is the same, IFAD can look at the possibility of building on JICA's DS.
DFID (UK)	<ul style="list-style-type: none"> • Ensure that the poor benefit from the opportunities provided by World Trade Organization (WTO) accession and work to minimize the negative impacts on them • Improve the quality and inclusiveness of services for the poor and vulnerable • Promote effective and accountable governance 	<ul style="list-style-type: none"> • 2007 - 2011 	<ul style="list-style-type: none"> • Making Markets Work Effectively for the Poor (M4P): Viet Nam still suffers from a number of institutional bottlenecks, which may be one of the downside of such rapid economic growth. DFID and IFAD are working on the institutional elements of pro-poor economic growth through an established partnership with M4P. This partnership will be built upon as lessons are learnt during implementation and partnerships with institutions like the Viet Nam Chambers of Commerce develop. • P135-II: The modality of using the one budget support instrument for funding to basic services is being tested. In the future, there is a possibility that collaborative work could be pursued with regards to strengthening the voice of civil society. • UN Reform: DFID is a strong advocate of the UN reform process and 'Delivering as One' - One Plan, One Leader, One Budget, One House and One set of Management Practises. Within this umbrella, IFAD continues to work towards being part of the One UN initiative and indirectly benefits from DFID support of the initiative. • Climate Change: While this remains a large area that needs to be addressed, there is still a need for interministerial dialogue. DFID is working with other donors to encourage the Government of Viet Nam to address climate change in its programme. As this is a new area for IFAD, it would be explored with a consortium of development partners.
Luxembourg	<ul style="list-style-type: none"> • Social Development • Health, • Education, including vocational training access to labour markets • Integrated rural development with a strong emphasis on water and sanitation • Microfinance 	<ul style="list-style-type: none"> • 2006 to 2010 	<ul style="list-style-type: none"> • Integrated Rural Development: In the new programme 'Developing Business with the Rural Poor' in Cao Bang province, it is proposed that Lux Development and IFAD work together. A technical cooperation package is being put together to complement and provide implementation support to the investment. • Knowledge management: As Cao Bang is one of Luxembourg's priority provinces, Luxembourg has a number of initiatives in this province. Luxembourg and IFAD would make joint efforts to consolidate experience in the context of the knowledge management strategy, in specific areas, e.g. vocational training. Joint implementation would enable joint knowledge products documenting options for upland areas in Cao bang Province.

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
New Zealand	<ul style="list-style-type: none"> • Sustainable rural livelihoods • Education • Health • Governance 		<ul style="list-style-type: none"> • Province-level Planning: New Zealand with a group of like minded donors are carrying out an assessment of provincial level planning and programming, IFAD would be interested in joining the initiative
Germany	<ul style="list-style-type: none"> • Sustainable Economic Development • Environmental policy, Protection and sustainable use of natural resources including water supply, waste water and solid waste disposal • Health 		<ul style="list-style-type: none"> • Knowledge Management: As GTZ and IFAD are collaborating in 2 provinces, Ha Tinh and Tra Vinh, and there is a proposal to widen the scope of the partnership, GTZ and IFAD will work with M4P in the future to capture the lessons learnt from implementation of pro-poor market oriented interventions to consolidate experience. • Climate Change and Environmental services: This is an area where GTZ has a comparative advantage and experience. Therefore, as IFAD expands its programme into carbon creditation, it would be beneficial to build on the experience of GTZ. As climate change impacts heavily the Delta areas, it is suggested that there should be some collaborative learning in the Mekong provinces of Tra Vinh, Ben Tre and Soc Trang • Programme based approach: GTZ and IFAD collaboration is an excellent example of a programme based approach and strengthens the rationale for technical cooperation to complement the investment through harmonized planning and monitoring processes.
Finland	<ul style="list-style-type: none"> • Multi-sectoral poverty reduction programmes • Water supply and sanitation • Rural development • Forestry 	<ul style="list-style-type: none"> • 2005 – 2015 	<ul style="list-style-type: none"> • P135-II: Finland is coordinating a number of studies to be carried out in light of the upcoming MTR, instrumental to having the necessary analytical underpinnings; IFAD will collaborate with Finland in this endeavour. A Working Group to support the production support component, led by the Government would be useful to ensure that there is more progress made on the component and that the development partners can have a forum for sharing lessons learnt with the Government. • Forestry: Finland continues to support the establishment of a National Forest Strategy and its integration into the national five-year planning system as well as the strengthening of sector coordination and monitoring capacity. As IFAD strengthens its efforts for sustainable and equitable use of natural assets, it is proposed t that the partnership with Finland be strengthened. • Climate Change: An area where Finland would be interested to partner with Government and other development partners proactive.
USAID	<ul style="list-style-type: none"> • Improved Regional Governance and Economic Reform • Vulnerable Populations in The Region Assisted • Increased Effective Regional Response to HIV/AIDS and Infectious Diseases • Improved Regional Environmental Conditions 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Information and Communication Technology (ICT) activities: in the context of Viet Nam's efforts to set up the application and development of IT targeting communities at the village level to improve access to, knowledge of, and appreciation for telecommunications technology, IFAD can collaborate with USAID.

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
DANIDA	<ul style="list-style-type: none"> • Support to the reform program underpinning Viet Nam's development and poverty reduction strategy and the necessary framework for implementation of the sector programmes • Support to sustainable production increases in agriculture, fisheries and other parts of the private sector where potential for pro-poor growth is highest • Development of human resources • Strengthening of democratization, popular participation, and respect for human rights as well as gender and environment. • Strengthening the fight against the HIV/AIDS-epidemic. 	<ul style="list-style-type: none"> • 2006 - 2010 	<ul style="list-style-type: none"> • Business Linkage Programme: Danish support for agriculture and fisheries contributes to strengthening the private sector. DANIDA's business sector programme focuses on improving the business environment and the conditions for small and medium-sized enterprises, contributing to creating new jobs. As IFAD is also promoting an approach which tries to induce the efforts of private sector activity that benefits the poor, partnership based on lesson sharing would be beneficial. • Grassroots Democracy Decree: DANIDA's interventions are in provinces where the poverty incidence is high, i.e. in the Central Highlands, the Mekong Delta and in the North Central provinces. It would be useful to approach DANIDA to work together to operationalize the Grassroots Democracy Decree to actively involve local communities in the preparation and implementation of activities. Improved governance, including increased transparency and accountability in the public sector and the development of a better functioning judicial system, limits the arbitrariness of decisions and rights. This will particularly benefit the population groups without connections and influence, primarily poor women and men. It will also reduce corruption and improve predictability, which is essential for the development of the private sector.
Netherlands	<ul style="list-style-type: none"> • Forestry and biodiversity • Water management • Health 		<ul style="list-style-type: none"> • Forest Sector Support Programme (FSSP) and Partnership: In November 2001, a Partnership Agreement to support the implementation of Viet Nam National Forest Development Strategy and the National Target Programme for forests (the 661 Programme) was signed by the Vietnamese Government, and presently 25 donors and other relevant agencies. Netherlands is a major donor in providing support to the implementation of priorities agreed in the framework of the FSSP; help coordinate ODA support to the Forest Sector, especially for achieving a sector-wide support mechanism and improving poverty targeting. IFAD would benefit from engaging with development partners in the FSSP.
CIDA (Canada)	<ul style="list-style-type: none"> • To support equitable economic growth through reforms that promote transparent and accountable governance • To improve rural livelihoods through support for agriculture and rural development • To improve access to quality basic education, especially for the rural poor and disadvantaged boys and girls 	<ul style="list-style-type: none"> • 2004-2009 	<ul style="list-style-type: none"> • Reforms for transparent and accountable governance: At the provincial level, both CIDA and IFAD are working in Ha Tinh and Tra Vinh provinces on similar objectives of pro-poor economic growth through area development; a provincial level partnership should be formed to carry out related policy and institutional reforms. CIDA has a comparative advantage in mainstreaming and building capacity. • Improved Rural Livelihoods: As CIDA and IFAD are working on improved viability of rural small and medium enterprises for improving livelihoods, it is an area where joint knowledge management products can be generated at the provincial level. IFAD would like to learn from CIDA with regards to increased national capacity to meet international food-quality standards and gain access to regional international markets. • Gender: For CIDA and IFAD, gender and environmental sustainability are crosscutting themes. IFAD will be developing a group of skilled gender experts in Viet Nam, for which CIDA has expressed interest.

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
Switzerland Swiss Agency for Development and Cooperation (SDC)	<ul style="list-style-type: none"> • Governance • Natural Resource Management • Urban Governance • Humanitarian Aid 	<ul style="list-style-type: none"> • 2006-2010 	<ul style="list-style-type: none"> • Supporting Public Administration Reform in Cao Bang Province (SPAR-CB): IFAD supported 'Developing Business with the Rural Poor Programme' would build on SDC's SPAR initiative to strengthen local capacities in financial management at provincial and district levels; and (planning at provincial and district levels. • Financial Management Reform: The Government of Viet Nam (GoVN) has started developing a comprehensive Public Financial Management Modernisation Programme (PFMMP). The Like-Minded Donor Group (LMDG) members including Governments of Denmark, the Netherlands, Norway, Sweden, Canada, the United Kingdom and Switzerland decided to support the PFMMP. While IFAD is not part of this initiative, currently, it would be seen whether IFAD to engage, • Monitoring and Evaluation (M&E) System: The system will serve as a strong tool and a reliable information base for evidence-based policy formulation and results-oriented planning processes. Appropriate policy documents needed to institutionalize the M&E system in the sector will also be worked out accordingly. AS IFAD is putting more efforts in working with MARD, it would be interesting to try to engage and build a harmonized M&E system. • Extension and Training Support for Forestry and Agriculture in the Uplands (ETSP): IFAD would welcome learning from the sustainable Natural Resource Management planning and extension processes as basis for training that have been identified: land use planning, forest land allocation, forest protection, forest management planning, participatory technology development, market analysis and development, village/commune development planning. ETSP is disseminating experiences and best practices.
UN	<ul style="list-style-type: none"> • Equitable and Inclusive Social and Economic Policies, Plans and Laws • Universally Available, High Quality Social and Protection Services • Environmental Protection and the Rational Use of Natural Resources • Accountable, Transparent and Participatory Governance • Reduced Vulnerability to Natural Disasters 	<ul style="list-style-type: none"> • 2006 - 2010 	<ul style="list-style-type: none"> • One Plan 2: Government has agreed to a rewording of the original 5 Outcomes to reflect the mandates of the incoming UN Agencies including IFAD, and the clusters of Outputs and Results under each Outcome are amended to reflect their programmatic contributions. IFAD is a member of the inter-agency Working Group on M&E (MEWG) is established to develop a Monitoring and Evaluation Framework (MEF) for the One Plan, which can measure the results from the One Plan towards a more effective, coherent and efficient UN. The SOs of this COSOP is reflected in the One Plan-2. • One Leader: the Resident Coordinator has the authority to give guidance on One Plan; is the ultimate decision maker on the allocation of funds from One Plan Fund; acts as One Voice on behalf of UNCT as appropriate; RC and UNCT members would provide reciprocal feedback on performance. • One Set of Management Practices: The second draft of the Harmonized Programme and Project Management Guidelines (HPPMG) consists of a narrative and a set of standard templates, samples, preparation guidelines and key reference documents. IFAD would adopt the management practices where appropriate, e.g. grant financed activities.
SIDA (Sweden)	<ul style="list-style-type: none"> • Social development (health, education, gender equality, access to social services) 	<ul style="list-style-type: none"> • 2004 - 2008 	<ul style="list-style-type: none"> • Provincial platform building for partnership and policy dialogue: Sweden will support capacity building at the local levels of participatory planning and implementation of bottom up decision making processes through Chia Se, which

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
	<ul style="list-style-type: none"> • Promoting Viet Nam's capacity to reduce poverty on a long-term and environmentally sustainable basis • Promoting openness and a development towards democracy and increased respect for human rights <p>Subgoals</p> <ul style="list-style-type: none"> • To promote an equitable pro-poor and sustainable use of natural resources based on local initiatives • To promote a professional, transparent, accountable service-oriented and non-discriminatory public administration • To contribute to increased respect for human rights and democratic access for poor people, with a special focus on development of the rule law that ensure predictability, equality, non-discrimination and protection against abuse. • To work to promote the right to adequate health care for all people including improved access to health services for the poor • To work to promote pro-poor growth based on a dynamic private sector and open trade relations 		<p>has done excellent work in the areas that it works. Sweden and IFAD are in the same provinces, it is possible to support Provincial level reforms for public administration, the regulatory framework and public financial management.</p> <ul style="list-style-type: none"> • Sustainable use of natural resources: Environmental management and climate change is coming up on the agenda of both Sweden and IFAD; increased dialogue needs to take place with the Government in a concerted fashion. • Gender: IFAD will be developing a cadre of resource persons to call upon for gender related matters in the country, as for Sweden, gender is a crosscutting issue, mainstreamed in all sectors, we could try to share the capacity that is built.

Key file 4: Target group identification, priority issues and potential response

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
Market participant small holder farmers	<ul style="list-style-type: none"> • Low yield and low productivity • Vulnerability to natural disasters, calamity, Loss of crops • Market fluctuations • Difficulty in transportation to market • Reliance on traders • Lack of access to credit • Weak position of farmers putting them at disadvantage in negotiations with buyers 	<ul style="list-style-type: none"> • Migration • Credit from relatives and moneylenders, mortgage land • Livestock activities • Small businesses 	<ul style="list-style-type: none"> • Improved practices for cropping, husbandry • Agricultural diversification • Value addition to production • Access to markets • Small business promotion • Savings and credit • Physical infrastructure 	<p>Program 120. This program aims to encourage investment in production and job creation through the provision of subsidised loans to households for training and development of SMEs.</p>	<ul style="list-style-type: none"> • Integration with investments by private enterprises • Smallholder farmers are target group for value chain development • Appropriate savings and credit schemes would be developed for the target group • The target group would benefit from improved essential services (e.g. clean water and health care) • Microfinance schemes
Subsistence farmers in upland areas	<ul style="list-style-type: none"> • Difficult conditions for transportation and telecommunication' • Poor market access • Poor access to services including education, healthcare, clean water, and information • Lack of access to credit • Lack of appropriate technology for steep gradient slopes and fragile soil • Standardized development interventions applied in diverse geological and cultural conditions • Low availability of good farming land and other and productive assets • Dependency on the environment and natural resources 	<ul style="list-style-type: none"> • Migration /Resettlement • Subsistence farming and livestock • Make-do with existing farming system • Transfer land rights to better-off households in exchange for financial compensation • Move closer to the watersheds, leading to more conversion to forest into swidden fields • Collecting some forest products, distilling alcohol, charcoal and handicraft • Borrow from moneylenders who apply unfair repayment conditions • When food is severely scarce, children are prioritized 	<ul style="list-style-type: none"> • Food security for the poor and most vulnerable households • Improved access to markets and vocational training opportunities • Development of grass-roots institutions with capacity to guide the development process; • Strong savings and credit groups and the establishment of effective linkages with the formal banking sector • Improved access to and management of forest resources to generate income on a sustainable basis • Integration with emerging value chain and business enterprises 	<p>Program 135. Program 135 aims to improve infrastructure, generate income and employment, and build local administrative capacity in identified poorest communes in remote and upland areas.</p> <p>Programme 133: Government's Hunger Eradication and Poverty Reduction (HEPR) has the following measures:</p> <ul style="list-style-type: none"> • Access to land and agricultural production support for the poor. • Micro credit for the poor • Investing in rural infrastructure • Vocational training and technology transfer for the poor. • Access of the poor to basic health and education. 	<ul style="list-style-type: none"> • Subsistence farmers access markets, capitalising on niches/ opportunities • Expanding the capabilities of subsistence farmers and the vulnerable through self-help, asset accumulation, and acquisition of new skills and technologies • Reducing vulnerability through productive safety nets • The target group would benefit from improved essential services (e.g. clean water and health care)

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
	<ul style="list-style-type: none"> Reduced access to forest resources Vulnerability to natural shocks, loss of livestock due to disease and weather shocks Few economically active household members Indebtedness Low caloric intake coupled with increased incidences of disease. Illness 			<p>Program 327/661 - Five Million Hectare Reafforestation Program (5MHRP). This program seeks to create rural employment through reafforestation activities, and to increase the protection of key watershed areas through the establishment of forest protection contracts under which individual households are contracted to protect allocated areas of protection forest.</p>	
Unskilled and Waged Labour	<ul style="list-style-type: none"> No land or limited productive land Vulnerability to natural disasters Little access to credit Few economically active household members Seasonal underemployment Limited income from seasonal labour Unskilled workers (resident and migrant) employed without contracts. Migrants last to arrive in an area where majority of productive land had already been allocated to local residents Indebtedness Illness in the family 	<ul style="list-style-type: none"> Seasonal labour and waged employment in uncertain conditions Debts with moneylenders who apply unfair repayment conditions 	<ul style="list-style-type: none"> Creation of stable employment Information of employment opportunities Better skills to have better paid job for more sustainable livelihoods Strong savings and credit groups and the establishment of effective linkages with the formal banking sector 	<p>Lending for the Poor. Viet Nam Bank for Social Policy provides subsidised loans to poor households for productive activities.</p>	<ul style="list-style-type: none"> Landless and waged labour benefit from employment on farms and rural and peri-urban enterprises The target group would benefit from employment on labour intensive rural infrastructure works Improved access to employment and vocational training opportunities Appropriate savings and credit schemes would be developed for the target group
Ethnic Minorities	<ul style="list-style-type: none"> Tend to live in geographically isolated in areas (roughly 75% live in upland mountainous areas) with difficult conditions for transportation and telecommunication. 	<ul style="list-style-type: none"> Have many children Migration Assimilation with Kinh society 	<ul style="list-style-type: none"> Literacy and numeracy 	<p>Program 132. Program 132 provides additional agricultural land to ethnic minorities through reclamation of paddy land, purchase by government of state enterprise-owned land and subsequent redistribution to needy households, and reallocation of under-utilized land previously allocated to SOEs.</p>	<ul style="list-style-type: none"> Literacy programmes to allow ethnic minorities to understand the content of legislation, and negotiate effectively with government structures and representatives.
	<ul style="list-style-type: none"> Limited participation in government structures and local politics 			<p>Program 154. This program provides housing support to ethnic minority communities in the form of</p>	

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
	<ul style="list-style-type: none"> Forestland allocation not reflective of indigenous land use patterns and farming systems 			<p>concessional loans, channelled mainly through SPB, for new house construction or improvement.</p> <p>Other Ethnic Minority Support Programs. A number of other programs are managed by CEM to provide support specifically to poor ethnic minority households, as follows:</p> <ul style="list-style-type: none"> free distribution to disadvantaged households of items such as iodized salt, kerosene, fabric, medicines for treatment of malaria and diarrhoea, school textbooks and notebooks, and school fee exemptions; provision of price subsidies to service providers (especially to cover transport costs to remote areas) and price-support for products marketed by disadvantaged ethnic minority communities; production support, including provision of basic production tools, seed, fertiliser, pesticides, and training; extension of the public broadcasting network to ethnic minority areas. 	

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
Women	<ul style="list-style-type: none"> Inequity in access to productive resources/agricultural inputs (e.g. technology, extension services) Gender biases in rights and entitlements: Land Use Certificates (LUCs) are in many cases, not issued with jointly with husband and wife or the woman's name in the case of women headed households. Poor access to credit Lower participation in informal education, vocational and job training and agricultural extension Weaker health status Disparities between males and females in power: maternal deaths due to abortion 	<ul style="list-style-type: none"> Subsistence farming and livestock Seasonal labour and waged employment in uncertain conditions Gender-gap in access to decision-making positions in local government Women are often in unskilled labour positions and lower incomes 	<ul style="list-style-type: none"> Access to productive resources for women Livelihood improvement activities through training and credit support Better labour opportunities Improving accessibility and affordability of essential services (e.g. clean water and health care; kindergartens) Empowering women through participation in grassroots decision making. Physical infrastructure that are gender-responsive such as farm-to-market roads that reduce travel time of women Increasing awareness of ethnic minorities of the importance of girls' education and health 	<ul style="list-style-type: none"> SEDP refers to entering names of both husband and wife in the LUCs and to increase women's roles in local decision making. Viet Nam Women's Union and the National Committee for the Advancement of Women Law on Gender Equality Directive No. 27/2004/CT-TTg promotes the Advancement of Women in all ministries, governmental agencies and the Provincial People's Committees. SEDP integrates gender equality indicators into areas such as agriculture, employment, environmental management, health and education 	<ul style="list-style-type: none"> Participatory development, improving participation of women in planning, programming and monitoring of development projects in rural areas Investment in human capital through equal access to job skills, agricultural extension, and market opportunities etc Physical Investments that are gender-responsive Gender-disaggregated poverty data Literacy training
Women in Uplands	<ul style="list-style-type: none"> All the above mentioned issues compounded by remoteness, e.g. services more limited, including schools, hospitals 				
Ethnic Minority Women	All the above-mentioned, compounded by lower literacy rates and lower enrolment rate of ethnic girls in schools				

